DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES
HOUSE OF COMMONS

FOURTH SESSION—SIXTEENTH PARLIAMENT

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HOUSE OF COMMONS

DEBATES

OFFICIAL REPORT

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House of Commons Debates

OFFICIAL REPORT

Thursday, March 27, 1930

The house met at three o'clock.

CANADIAN NATIONAL RAILWAYS

FURTHER SUPPLEMENTARY ESTIMATES FOR 1929-1930

A message from His Excellency the Governor General transmitting further supplementary estimates for the financial year ending March 31, 1930, was presented by Hon. Charles A. Dunning (Minister of Finance) and read by Mr. Speaker to the house.

Mr. SPEAKER: Mr. Dunning, seconded by Mr. Crerar, moves that said estimates be referred to the committee of supply.

Hon. CHARLES A. DUNNING (Minister of Finance): I wanted to make an explanation with respect to that. The special committee on Canadian National Railway affairs has not yet been set up. It is desirable, I believe, that estimates of that character should be referred to that committee, and an effort is now being made to set it up, but this being a supplementary for 1929-30 should really be passed through both houses and assented to before the end of the fiscal year. I think it would be better if for the present the motion to refer could be deferred pending the setting up of the special committee. I presume we cannot refer a matter to a committee which is not yet in existence. Later on in the day the whips may be able to arrange the personnel of the committee and we may then refer the estimates to it.

Mr. SPEAKER: I remember last year the motion to refer the estimates anticipated the appointment of the special committee on Canadian National Railway affairs.

Hon. R. B. BENNETT (Leader of the Opposition): I think a motion to refer the matter to a committee, without naming the committee, would be in order. There are in the supplementary estimates two or three matters that require very careful consideration by the house. One involves the expenditure of over $4,000,000, if my memory serves me aright, in acquiring railway lines in the United States and that is a question of policy that we must very carefully consider. We probably could discuss it on a motion to refer, but these estimates should certainly come before the committee of supply.

Mr. DUNNING: They will come back to the committee of supply.

Mr. BENNETT: What I had in mind was whether or not it would be feasible to give them the attention their importance demands, having regard to the one item I have mentioned—and there are other items of almost equal importance—between now and the end of the month. That is the real difficulty. To-day is the 27th. There are only four days between now and the end of March. Our fiscal year then ends, but the railway fiscal year does not end until the 31st day of December, 1930, so I suppose there is no difficulty if the matter is not considered between now and the end of March.

Mr. DUNNING: I shall be glad to look into that phase of the question, but there is no desire on the part of myself or the Minister of Railways to rush these estimates through.

Mr. BENNETT: When may we expect the report of the Canadian National Railways? I see the Minister of Railways is now in his place.

Hon. T. A. CRERAR (Minister of Railways): I think it will be ready in a short time. It is being held up pending the report of the auditors.

Mr. SPEAKER: Moved by Mr. Dunning, seconded by Mr. Crerar, that said estimates be referred to a committee for further consideration.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS

Bill No. 44, respecting a certain patent of Edgar D. Crump—Mr. Blatchford.

Bill No. 45, to amend the Act to incorporate the Imperial Trusts Company of Canada—Mr. Bell (Hamilton West).

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—HALIFAX, N.S., HOTEL

Mr. BLACK (Halifax):

1. What firms or companies have supplied, or are to supply, furniture for the new Canadian National Railways' hotel at Halifax, N.S?
2. Is any second-hand furniture installed, or to be installed in said hotel?
3. If so, from what source of supply will such second-hand furniture be obtained?

Mr. CRERAR:

1. The following firms are supplying furniture for The Nova Scotian: Canada Furniture Mfgrs., Montreal, Que.; Coombe, F. E. Furniture Company, Kincardine, Ont.; Craig, W. J., Toronto, Ont.; Dupuy, Ltee., P., Montreal, Que.; Eaton, T. Co. Ltd., Montreal, Que.; Gordon Keith Furniture Company, Halifax, N.S.; Heintzman & Co. Ltd., Toronto, Ont.; Hourd & Company, London, Ont.; Jenkins, B. M. & T., Montreal, Que.; Jones Bros. of Canada, Ltd., Montreal, Que.; Kent-McClain Limited, Toronto, Ont.; Mason & Risch Limited, Toronto, Ont.; Murphy, J. M., Limited, Halifax, N.S.; Office Spec. Mfg. Co. Ltd., Montreal, Que.; Oxford Furniture Co. Ltd., Oxford, N.S.; Scott Co. Ltd., J. C., Toronto, Ont.; Simmons Limited, Montreal, Que.; Simpson Co. Ltd., Robt., Toronto, Ont.; Toronto Rattan Company, Toronto, Ont.; Willis & Co. Limited, Montreal, Que.; Wilson Co. Ltd., J. A., Toronto, Ont.; Phinney Music Co. Ltd., Halifax, N.S.

2. Yes.

3. Chateau Laurier hotel, Ottawa, Ont.

Mr. BLACK (Halifax):

1. Has hardware of United States manufacture been used in the construction of the Canadian National Railways' hotel at Halifax?
2. If so, to what extent and to what value?
3. What is the name of the firm or company that supplied the hardware, and who are the officers of the firm or company?
4. Were Canadian manufacturers asked to tender on hardware supplies for the said hotel?

Mr. CRERAR:

1. All hardware used in The Nova Scotian Hotel, Halifax, is of Canadian manufacture, excepting locks on doors.

2. The manufacturers' cost of the American goods supplied is about 50 per cent of the total cost of the hardware.

[Mr. Speaker.]

3. Durand Hardware Limited, St. James street, Montreal. No information as to the officers of the company.

4. No. Purchases made from jobbers, not manufacturers.

WINNIPEG CUSTOMS COLLECTOR

Mr. STEWART (Leeds):

1. Is there a vacancy in the position of collector of customs and national revenue at Winnipeg, Manitoba?
2. If so, how long has the vacancy existed?
3. How many parties applied for said position?
4. Were examinations of applicants held?
5. Has the Department of National Revenue given a rating of the applicants?
6. Why has the vacancy not been filled?

Mr. RINFRET:

1. Yes.
2. Since April 1, 1929
3. One.
4. The Department of National Revenue was requested to rate the applicant.
5. No.
6. Answered by No. 5.

ROBERT E. COLLIS

Mr. PLUNKETT:

1. What was the date of the appointment of Robert E. Collis as school master at the Royal Canadian naval barracks, Esquimalt, British Columbia?
2. What was the date of his resignation?
3. How many requests, if any, were made at different times for the resignation of Mr. Collis?
4. What were the reasons for asking for the resignation of Mr. Collis?
5. During his term of office was any money kept out of his salary for superannuation fund?
6. If so, what was the total amount withheld?
7. Was such amount paid over to Mr. Collis upon the acceptance of his resignation?
8. Does the superannuation fund keep such money where resignation or dismissal occur?
9. Has the superannuation fund authority by law to keep moneys or payments which have been made to them by persons who have resigned or been dismissed from the service?
10. What is the full amount of such sums from all sources at present held by the superannuation fund?

Mr. RINFRET:

1. March 10, 1923.
2. August 24, 1928.
3. One.
4. Services were unsatisfactory.
5. Yes. Five per cent.
6. $538.95.
7. No.

8 and 9. The Civil Service Superannuation Act does not authorize return of contributions in the event of a contributor whose service is less than ten years, resigning or being dismissed.

10. Up to March 31, 1928, $64,525.05 was contributed to the fund by persons who have resigned or have been dismissed and who were ineligible to be paid their contributions.

TARIFF ADVISORY BOARD—COTTON HEARING REPORT

Mr. ADSHEAD:

1. Has the government received the report of the tariff board on the fifty per cent (50%) empire content in relation to cotton goods?
2. If so, is it available to the members of the house?

Mr. DUNNING:

1 and 2. A public hearing of the Advisory Board on Tariff and Taxation was held and a verbatim record of the inquiry was printed and mailed to members of the House of Commons on December 5, 1929. As the reference pertained to the application of a customs regulation, the Advisory Board on Tariff and Taxation in the course of its inquiry has maintained contact with both the Finance and National Revenue departments.

BANFF NATIONAL PARK REVENUE

Mr. COOTE:

What was the revenue derived by the government in each of the last three years at the Banff national park from: (a) car registration fees; (b) camping fees; (c) swimming pool fees; (d) bath house at Upper Hot Springs; (e) all other sources?

Mr. STEWART (Edmonton): Information attached hereto:

Banff National Park

	Car registration fees	Camping	Swimming pool fees	Upper hot springs	All other sources	Total revenue
1927-28	$21,450 50	$5,259 00	$15,821 75	$10,078 85	$90,847 54	$143,457 64
1928-29	36,426 50	195 00	17,135 05	11,653 00	85,553 55	150,963 10
1929-30 11 months to Feb. 28, 1930	38,674 50	368 00	15,716 00	11,427 90	74,745 66	140,932 06 (11 months)

The decrease in camping fees since 1928-29 is accounted for by the change in the regulations which provided camping privileges for one month with each auto licence issued.

IMPORTATIONS OF OLEOMARGARINE AND EGGS

Mr. LACOMBE:

1. What quantity of oleomargarine was imported into Canada during the years 1919, 1920 and 1921, respectively?
2. What quantity of eggs was imported into Canada during the years 1919, 1920 and 1921, respectively?

Mr. RINFRET:

1. Canada's quantity of oleomargarine imported during the years ended March 31, 1919, 1920 and 1921, was:

Years	Pounds
1919	4,217,916
1920	6,497,031
1921	4,630,747

2. Canada's quantity of eggs imported during the years ended March 31, 1919, 1920 and 1921, was:

Years	Dozens
1919	1,755,122
1920	5,977,480
1921	5,341,926

COMMITTEE ON AGRICULTURAL CONDITIONS

Mr. LACOMBE:

1. Did the Dominion government appoint a committee to inquire into agricultural conditions in the county of Laval-Two Mountains, composed of the following members: Messrs. Mark Senn, member for Haldimand; W. E. Tummon, member for Hastings South; F. W. Bowen, member for Durham; Earl Rowe, member for Dufferin-Simcoe?
2. If so, when was this committee appointed?
3. What was the nature of its powers?
4. Was the said committee to make a report of the inquiry?
5. Has the report been made?
6. If so, to whom was said report made?
7. Is said report available to members of this house?

Mr. STEWART (Edmonton): No such committee appointed.

AIR MAIL CONTRACTS

Mr. STEWART (Leeds):

1. Have any contracts other than those included in and referred to in reference No. 21 (sessional paper No. 123), been entered into for air mail service for the year 1930, or subsequent years?
2. What services are provided for by such contracts?
3. What will the cost of such additional services be for the year 1930?

Mr. VENIOT:

1. No.

2 & 3. Answered by No. 1.

INDIANS IN PICTOU COUNTY, N.S.

Mr. CANTLEY:

1. How many Indian reserves are in the county of Pictou, Nova Scotia, and where are they situated?

2. How many Indians are on such reserves?

3. How many Indians are in the county of Hants, Nova Scotia?

4. What was the value of the principal items supplied for destitute Indians in Nova Scotia during the year 1929, separately stated as to clothing, food and medicine?

5. What was the value of each of above classes of supplies provided for Indians in Pictou county, Nova Scotia?

6. Who furnished such supplies and who made the distribution to Indians in Pictou county, Nova Scotia?

7. Who supplied the medical services rendered during the year 1929 to Indians of Pictou county?

8. How many Indians in Pictou county received medical attendance and medicine?

9. What was the cost of: (a) medical attendance; (b) medicine given to Indians of Pictou county, Nova Scotia, during the year 1929?

Mr. STEWART (Edmonton):

1. Fisher's Grant Reserve No. 24, Head of Moodie cove, south side of entrance to Pictou harbour; Fisher's Grant Reserve No. 24A, at Boat harbour; Fisher's Grant Reserve No. 24B, lies between and adjoining 24 and 24A; Fisher's Grant Reserve No. 24C, east of and adjoining 24A; Fisher's Grant Reserve No. 24D, east of and adjacent No. 24; Fisher's Grant Reserve No. 24E, at Boat harbour; Fisher's Grant Reserve No. 24F, west of and adjoining 24A; Merigonish harbour No. 31, in Merigonish harbour.

2. 158 Indians.

3. 56 Indians.

4. Clothing $3,851.16; food $38,552.16; medicine $1,255.97.

5. Clothing $133.73; food $2,415.46; medicine $300.

6. Clothing supplied by Kentville Dry Goods Company and Joseph Cohen; purchased and distributed by Nova Scotia sanatorium.

Food supplied by D. Logan & Co., and milk by Mrs. N. Campbell, Mrs. J. Murray, Mrs. D. Reynolds, and Mrs. C. Falconer; purchased through local Indian agent, Rev. R. C. MacGillivray.

Medicine furnished by Dr. G. W. Whitman.

7. Dr. G. W. Whitman, Stellarton, N.S.

8. There are 158 Indians in Pictou county, presumably all came under medical treatment at some time during the year.

9. (a) $500; (b) $300.

[Mr. H. A. Stewart.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

PULPWOOD SHIPMENT

Mr. MacNUTT:

What was the total number of cords of pulpwood shipped by water from Nova Scotia and destined to United States ports, since January 1, 1921, and up to December 31, 1929, giving: (a) name of shipper; (b) name of port of clearance; (c) number of cords shipped each year from each port during above dates?

ACTIVE MILITIA

Mr. WARD:

1. What is the total number of persons in the Canadian active militia?

2. How many of these are commissioned officers?

3. What is the number of each rank of commissioned officers, and what pay and allowances do officers of each rank receive?

4. How many non-commissioned officers are there in the service?

5. What is the number of each rank of non-commissioned officers, and what pay and allowances do such officers receive?

6. What other ranks or occupations are there in the service and what pay and allowances do each receive?

7. In the amendment to amend the Militia Pension Act, who would be affected by the amendment?

8. What amount is there involved?

EXPORT ACT AMENDMENT

OMISSION FROM RECORD OF DECLARATION OF PAIR

On the orders of the day.

Mr. H. B. SHORT (Digby-Annapolis): I wish to call attention to an omission made in Hansard in the vote of March 25 on the Export bill. I rose in my place and announced that I was paired with the hon. member for Victoria-Carleton (Mr. Foster) and that had I voted, I would have voted for the motion. This is omitted to be noted although all the others who announced their pairs were noted.

Mr. SPEAKER: Might I say to the house that according to May, twelfth edition, page 336, pairs are not officially recognized by the Chair, and it is not necessary after a division has taken place, to rise and state that so-and-so is paired with so-and-so. The custom is for the whips to leave with the Clerk of the House a list of pairs, and it is inserted in next day's Hansard.

Mr. SHORT: In this case about a dozen are announced as being paired, and my name is omitted.

Mr. SPEAKER: The trouble is there are too many rising together. The correction will be made.

SUPPLY—AUSTRALIAN TREATY

AMENDMENTS TO MOTION OF MINISTER OF FINANCE FOR COMMITTEE

The house resumed from Wednesday, March 26, consideration of the motion of Mr. Dunning for committee of supply, the amendment thereto of Mr. Gardiner, and the amendment to the amendment of Mr. Stevens.

Mr. A. W. NEILL (Comox-Alberni): I think I might summarize the few remarks that I propose to make at this time in one brief sentence, and that is, "Hands off the Australian treaty," at the present time at least. That is a slogan or watchword that I believe would be acceptable in the office of every big industry in British Columbia, and in Vancouver and Victoria especially. It will find an echo in the shack of the fisherman, in the bunkhouse of the lumberman, in the home of the workers in our sawmills and pulp and paper plants, and even in the homes of our coal miners and of those who work on the farm, because all alike are vitally interested in the preservation of the Australian treaty. I include both capital, the management or operators, and those who work in these industries as employees, because they have a common interest. Employers and employees may have differences of opinion in regard to the wages paid or as to their other relations, but the ordinary manual workers are coming to realize more and more that they have at least this common interest with their employers, that if they cannot find a market for their products, if they cannot sell what they produce, it means the slowing down of the wheels of industry, with consequent unemployment and lower wages. Therefore, I say that both employers and employees are a unit in a matter of this kind.

I added to the slogan the words, especially at the present time; I shall explain that a little later.

I propose, as I said last night, to consider the question before us without any regard to the bickerings of party politics or the constant jangle as regards high or low tariff. I think we have heard enough of that. I propose therefore to deal with this question on its merits, to consider how it will affect Canada, how it will affect the province from which I come, and more particularly, how it will affect the interests of my constituents whom I represent here in this house. We are considering to-day a motion of want of confidence in the government moved by the Progressive element in this house, coupled with a demand for the abrogation, which means the abandonment, of the Australian treaty. We have also before us a subamendment moved by a member representing the Conservative element in this house. That also is a motion of want of confidence, coupled with a demand that the Australian treaty be revised.

Mr. ADSHEAD: Would it be a vote of want of confidence if it carried, considering the ruling of Mr. Speaker the other evening?

Mr. NEILL: Yes, both of them would. While the Conservative amendment asks only for the revision of the treaty, not its abrogation, I propose to submit that conditions are such that if their motion carried, it would result in the abrogation or abandonment of the treaty. We are not dealing at all with the New Zealand aspect of the case nor with the importation of New Zealand butter. The house settled that matter a few days ago, and the government has decided to negotiate a separate treaty with New Zealand. So New Zealand is entirely out of the picture. We are dealing to-day with the Australian treaty and the Australian treaty alone.

I am completely against both the amendment and the subamendment, and if the suggestion that I have heard is true—I trust that it is not—that the government, working along the lines of least resistance or for the sake of political peace, might accept the subamendment, then I am against the government as well, and my position would indeed then be one of loneliness.

I am in favour of the Australian treaty and always have been, although I am not in favour of its extension to New Zealand. I should like to quote, if I may, three sentences from some remarks I made in the house on March 5, 1928. I said:

> The National Dairy Association has presented three resolutions to the government. The first one asks that the Australian treaty as applied to New Zealand be cancelled. I am heartily in agreement with that.

I would pause there for a moment to point out that my attitude then was the same as my attitude a few weeks ago when I put a resolution on the order paper dealing with New Zealand butter. This gives contradiction to the statement made that my convictions in this matter were of new found origin of a few weeks ago. Quoting again from my remarks:

> The second resolution asks that the dumping clause be applied on all butter sent from Australia to Canada either on direct sale or consignment as long as the Paterson scheme of bonusing exists. I agree with that suggestion and I will go further. I suggest that the dumping clause should be strengthened.
>
> The third resolution asked that the Australian treaty be done away with altogether. I am flatly and entirely opposed to that.

Those were my sentiments in 1928, and they are my sentiments to-day—curiously enough.

A number of the British Columbia members who have spoken in this debate have asked for a revision of the treaty, and they have given as their reason, and quite properly so, their desire that Canada should get something better out of the treaty, should be able to sell more produce to Australia under it. It seems a somewhat roundabout way of trying to accomplish that object to move a motion of want of confidence in the government. We may presume that they are sincere in moving want of confidence, and if so, they must hope that it will carry. That is quite all right from their point of view. I myself have sometimes wished to see the government defeated. We will suppose that their object is achieved, that the government is defeated on the motion of want of confidence. It does not make a great deal of difference whether it is on the amendment moved by the Progressive group, who want to see the treaty abrogated, or whether it is on the motion of the official opposition, who want the treaty revised along certain lines. I ask you, sir, what would be the effect on the minds of the Australians if it were wired to them to-night or to-morrow morning that the government of Canada, and incidentally the government that passed the treaty, had been defeated on the Australian treaty. By the time the news got jumbled up on the wires it would not be clear, nor would it be of very great importance, to the people of Australia whether the government had been defeated on the amendment or on the subamendment, but the impression on their minds would undoubtedly be that Canada did not want the treaty, that Canada had asked for its abrogation or its revision, and that the government of the day had been defeated over that question.

Mr. ADSHEAD: I do not think it will involve the defeat of the government.

Mr. NEILL: They hope so. They say it is going to carry. What are they voting for if they do not expect that? I ask you, sir, and the house, looking at the question from a sober point of view, so to speak, if Australia in that event would be likely to agree to a treaty that would be more favourable to Canada than the present one. If it is not going to be more favourable, why ask for a new treaty? The effect upon Australia would be especially bad when they found that the two parties in this house, who support these two amendments and particularly the members who introduced the two motions of want of confidence, both voted against the original treaty and that both have been fairly active in their condemnation of it ever since.

[Mr. Neill.]

Mr. ADSHEAD: May I ask a question? When the Liberal whip proposed a subamendment the other evening and it was carried, the government was not defeated. Why should it be defeated now if the subamendment carries?

Mr. NEILL: Because the subamendment moved the other evening was of such a character that the government could accept it, and I have not forgotten how hon. gentlemen opposite tried to raise a great constitutional crisis because the government, they claimed, had defeated themselves, by accepting that subamendment.

The hon. member for Vancouver Centre (Mr. Stevens) has suggested that we might, so to speak, placate or please the Australians by increasing the duties on the articles that we buy from them, and then give them a greater preference to help them out. I wonder what kind of a repercussion that meets with from my Progressive friends. It is not in line with the policies which they had adopted up to now. At all events, I suggest that the preferences granted to Australia now are already substantial enough, and if Australia is not benefiting by them, it is not the fault of the preferences. Here are some of the preferences that Australia receives:

	Preference to Australia per lb.
Honey	3c. to 1c.
Raisins	3c. to 0c.
Lard	2c. to 0c.
Tallow	20% to 10%
Cheese	3c. to 0c.
Butter	4c. to 1c.
Canned vegetables	1¼c. to 0c.
Dried apples	25% to 10%
Fruits, pears, etc	50c. to 25c. per 100 lbs.

On sugar the rate varies according to the analysis, but Australia has a preference of something like 50 to 66 per cent.

It is true that Australia is not selling us these products in the volume they expected, but I submit that that is solely the fault of Australia. You can drive a horse to water, but you cannot make him drink. We have done our part, and it is now up to Australia to make the horse drink. Australia made the great mistake of thinking that the mere introduction of a favourable tariff was all sufficient to develop trade. It is not so, and never will be so. Their products are not put up in the style and package with which we are familiar, nor are their goods pushed by energetic salesmen, as is the case with the products of other countries. Australia will never penetrate our market until she realizes the need of competent salesmen, and the

necessity of putting up her goods in the style to which our market is used. It is all right for Canada to help Australia by extending the services of our trade agents and trade commissioners to her, but it is not our business to give Australia greater and greater preferences in order to try and force a market in this country for Australian goods, putting the consumers of Canada to very greatly increased expenditure in the purchase of these products. There is no need of that. They would want a still higher preference. The real solution is for Australia to take advantage of the very considerable and sufficient preference which she has got and develop the market in the way that any other alert nation would do.

Now, sir, I want to picture to the house, if I can, the conditions existing in Australia at the present time, and under which the hon. members who have introduced these amendments want us to abrogate the treaty or very seriously revise it. Australia, as the hon. member for Vancouver Centre (Mr. Stevens) said, is in some respects dissatisfied with the result of the treaty. It has not worked out as she anticipated, she has not sold us the amount of produce she expected to do—particularly in the matter of raisins, which is a very urgent question in that country—largely, as I have suggested, through lack of business initiative. You have got a dissatisfied country to deal with. Then let us consider the financial conditions in that country to-day. Australia is in a very bad economic condition, she has strikes and labour troubles of various kinds. Here is what the Trade and Commerce Journal for March 22, 1930, says:

All the banks—

"All," Mr. Speaker.

—are imposing a more stringent check upon the volume of imports to conserve their balances in London.

How are they imposing that more stringent check? As hon. members know, we are paid by the Australian importer, not in cash, but by a draft on London, and the banks in their efforts to stop our selling goods to Australia have raised the exchange prices so high that in some cases this paper states they are up to six per cent. Again I read:

Possibly,—

Note that, Mr. Speaker.

Possibly, when drafts are paid, the collecting banks may remit a portion of the total.

They may. Say a man in Australia owes me $5,000, but I may get only a portion of that debt because the banks there in order to conserve their balances in London are restricting importations. In other words they are doling out the available money. Such a condition has not been paralleled for many years. I recall a somewhat similar condition in the United States, I think in 1907, when money was so scarce there during a financial panic that if you took a cheque to your bank for payment out of your own funds they would ask "What are you going to do with the money?" And if you could not give them a wholly satisfactory reason, such as that you were paying wages, you would not be able to draw out your own money. There is a condition almost parallel with that now existing in Australia. The hon. member for Vancouver Centre admits that we are suffering no great injury from the operation of the Australian treaty, that is, in any particular class of trade; eggs are not coming in at all; butter is coming in, but to such a small extent from Australia that there is no complaint. In fact no harm is being done to us, instead we are getting great advantage from the treaty. But Australia is dissatisfied with the bargain they entered into, as we are selling them about six times as much as we are buying from them. Consequently they are unwilling to buy more from us, and their banks are doling out money in an effort to restrict their importations. Under those conditions we are going to that country with a demand—it is not a request—to abrogate the treaty or to get more favourable conditions for Canada. Under those circumstances what on earth can we expect the answer will be? They will tear the treaty up and throw it in our face. They will say: "We have been waiting for this opportunity, and now it has come." We cannot put forward the Oliver Twist proposition in a case like this. I do not think the opposition parties could have selected a worse moment to suggest a revision of the treaty. It is a short-sighted policy. If a man is working for a big company, and times are very bad, so bad that he is only working part time, he does not select that moment to kick about getting an increase of wages. We do not find fault with the culture of the fire brigade when our house is burning; we are only too willing to get the services at the moment.

I am asked, why should it be such a critical time for British Columbia? I will explain the position. There are several reasons and one of the most urgent at the moment is the condition of the lumber industry. It is on record to-day that the United States senate has voted to impose a duty of a dollar and a half a thousand on our lumber going into the States. That means a most terrible blow to our lumber interests in British Columbia.

More than that, I see to-day in the paper that I have just received from home that the marine freight rates from British Columbia have gone up substantially. So there is another disadvantage to the lumber industry. The suggestion is made that there is a vague chance that the dollar and a half increase voted by the senate of the United States may be eliminated, but it is highly unlikely that it will not be imposed. I should like to quote some wires I have received showing the way in which the lumber interests of British Columbia look at this matter. Here is one:

British Columbia lumber manufacturers view with alarm possibility of losing Australian market and sincerely hope you will do everything to support their movement to widen markets and create steady employment in the lumber industry.

That is signed by the secretary of the British Columbia Lumber Manufacturing Association, a very big body. Here is another one, in part:

This is very serious matter to British Columbia lumbermen who are finding great difficulty in marketing their product in world markets. Increased lumber trade with antipodes will enable mills to operate steadily and provide employment thousands of workmen in your district. Seriously appealing to you to assist lumbermen at this time.

I have other wires but I need not read them. Here are some newspaper cuttings, most of them from the Daily Province, a Conservative journal and a very ably conducted one. This paper said not long ago that the Australian treaty was pumping lifeblood into British Columbia. This is from a recent editorial:

The Senate of the United States has voted a duty of $1.50 per board thousand upon softwood lumber imported into that country, and, if the tariff becomes law, Canada will be badly hit by it. . . . .

Canada sent $36,000,000 worth of lumber to the United States in 1928. . . . . From the port of Vancouver alone, in that year, we exported to the United States 95,000,000 feet board measure of our fir, cedar and hemlock lumber.

Here is a notice that the shingle mills are closing down to about 25 per cent of their capacity. Here is another statement:

United States tariff will wipe out lumber exports from Royal city.

That is the city of New Westminster.

It will seriously affect the operators of mills in this city and will wipe out 80 to 95 per cent of their exports to the United States.

Here is another one:

Means heavy loss. Canada will lose approximately $2,000,000 per year, according to Vancouver lumber interests. It is stated that such a tariff would prove a severe blow to the lumber industry in British Columbia and is certain to have an effect on the extent of operations in this province.

These are unbiased opinions from the press of the day. I submit, sir, that in this perilous condition of affairs it is no time for a change; as the saying is, it is no time to swap horses. To make a change now would be disastrous to all British Columbia, and more particularly, of course, to its coast industries. In my district it would affect our lumber industry, our sawmills, our paper industry, our pulp mills—because despite what my hon. friend from North Vancouver said, we have pulp mills, we have one or two so situated that they cannot economically make paper. By a continuance of this treaty our farmers will benefit, because they know what a splendid home market a logging camp makes; it will benefit our fishermen, who when they take the fish out of the water know it is going to Australia by reason of the tariff preference it enjoys under this treaty; it will benefit the coal miners, because steamers will bunker at the coal mines in our district if they have goods to take to Australia. So our workers are as much interested as the operators and the head men in the various industries. Almost any revision of the Australian treaty that might be granted by Australia would hurt Canada in some degree. I fully realize, and I want to emphasize this, that the lumber interests of British Columbia are very anxious to get preferential treatment under the tariff, but I am afraid, that if they throw the treaty into the melting pot now what they will get out of it will be this, not only will there be no preference for lumber, but we will lose some of the important advantages that we now posesss. Certainly this is not the time to ask Australia for better tariff conditions. Perhaps if economic conditions in Australia improve, and they become more ready to receive imports than they are to-day, they might then be approached to put our lumber on a preferential basis, but now is certainly not the time to go and ask for greater privileges.

Not only that, but there is the uncertainty that might result if the treaty were abrogated and negotiations set on foot for another treaty. The government might be defeated, and with the present treaty abrogated we would be up in the air while the new treaty was being negotiated. That could not be done in six months. It took fifteen years to negotiate the present treaty. Added to the uncertainty, there is the danger that Australia may take umbrage and say: "We will eliminate the

treaty altogether." Then it would take us a long time to get back even to the stage where we are at now.

I should like to quote again from my speech which I quoted earlier in my remarks. I said:

It may be said, and I have been accused of it before, that I have been making a protectionist speech. I care not what epithet is applied, I am only applying the principle of common sense to conditions as they happen to exist. I believe that like the Sabbath, the tariff was made for man and not man for the tariff. So much as regards the Australian treaty. My suggestions in that regard are: that we should keep the treaty for the benefit of the big industries of British Columbia and the workers thereof; that we should keep the dumping clause and strengthen it if necessary; that we should cancel the treaty as regards New Zealand. These are my own views, I think they are the views of my constituents, and I challenge any member from British Columbia to say that the carrying out of such a policy would not inure to the general benefit of the province of British Columbia.

I take the same view to-day, sir; I invite every British Columbia member to forget party politics for the time being and unite against these two amendments, the first of which proposes to do away with the treaty altogether and the other proposing to revise it under conditions which will bring about practically the same result. I think we should take this action in the interests of the industries themselves, and of the workers in these industries. I think I am able to say that I express the feelings of the various industries in the district which I represent, the feelings of the workers, of the management and of those who provide the capital when I say we do not want to do anything which will jeopardize the Australian treaty at the present time.

Mr. ADSHEAD: I should like to ask one question. The hon. gentleman stated there was a discount of six per cent with regard to Australia. Is not that in our favour and against Australia, rather than against us and in favour of Australia? That means that it costs the Australians £106 to buy £100 of British sterling.

Mr. NEILL: I am not a financial expert, but I understand that the man buying the draft has to pay the exchange, and it seems to me that if he had to pay the 6 per cent it would increase the cost to him without making any difference to us.

Mr. LADNER: I should like to ask the hon. member one question before he sits down. What harm does he see in approaching Australia with the view of getting Australia to take more lumber from British Columbia, especially in view of the fact that recently a commission from the province visited Australia? Why does he object to an effort being made to improve that phase of the treaty?

Mr. NEILL: I take it that my hon. friend's inquiry is as to why I object to negotiating a treaty now?

Mr. LADNER: I should like to know why you object to a revision of the treaty with regard to lumber and other commodities?

Mr. NEILL: Because I suggest that present conditions are such that Australia is just itching to throw the treaty at us, and will make no revision for our benefit. If any revision is to be made it will have to be in favour of Australia. Conditions are so entirely unripe for us to ask for an increase to our own advantage; they are sore; they do not want imports; they are trying to stop them, and this is not the time for us to say, "We want more favours." The time for that is when conditions have become stabilized, when their goods are sold here and economic conditions are improved. If we do it now I fear the result will be the total elimination of the treaty for months and perhaps years.

Mr. W. T. LUCAS (Camrose): Mr. Speaker, I wish to say a few words in support of the amendment which has been moved by the hon. member for Acadia (Mr. Gardiner), asking for the abrogation of the Australian treaty. Personally I have no objection to the making of any treaty having for its purpose the lowering of tariffs for the development of trade so long as such treaty is made on fair and equitable terms.

With regard to the amendment moved by the hon. member for Vancouver Centre (Mr. Stevens), I should like to say that while I might be in sympathy with the principle involved, that of negotiating a new treaty with our sister dominion on fair and equitable terms, under the circumstances I have no option but to vote against it just as on similar occasions we have been obliged to vote against similar amendments, because if we voted for the subamendment we would be precluded from voting for our own amendment, which I think is of primary importance at the present time. If the amendment proposed by the hon. member for Acadia were adopted it would not prevent this government from doing what is suggested in the subamendment of the hon. member for Vancouver Centre.

In my opinion, Mr. Speaker, the Australian treaty was not negotiated on fair and equitable terms; agriculture was singled out and

discriminated against in order to benefit industry generally. I presume in making any treaty it is necessary to adopt a give and take attitude, but in this case agriculture was asked to give all and take nothing. As a class the farmers are not antagonistic to industry, but we do believe that industry should be able to stand on its own feet. Personally I believe that Canada must be developed in no lopsided fashion, but that our basic industry of agriculture and the other great industries should be developed uniformly in the progress of the country. If, in order to develop industry generally, it must be allowed to ride on the backs of the farmers of this country, who are already bearing an overload, then I am absolutely opposed to any such practice.

In this treaty there is not one single thing which benefits the farmer; he gets no advantages in Australia or New Zealand, but is subjected to keen competition with the products of these countries in his own markets. We find that in order to negotiate this treaty the tariff on farm products was reduced; the tariff on fresh meats was reduced from 3 cents per pound to one-half cent; on eggs from 2 cents a dozen to free; on butter from 4 cents per pound to one cent; on honey from 3 cents to free; on tomatoes and vegetables from one and a half cents to free, and changes were made with regard to other commodities as well.

Some hon. members in this house representing agriculture have taken the stand that protection does not benefit the farmer. I am free to admit that under the general principle of protection the farmer does not gain the benefit which is afforded industry generally, but on those commodities in which the farmer is not on an export basis I am of the opinion that he does get a benefit. Evidently Australia had the same opinion; she accepted our manufactured products provided she could get her agricultural products into Canada, and therefore she must have thought it would be an advantage to her farmers.

I find that not only are the dairy farmers complaining; I have received letters from the Southern Alberta Sheep Breeders' Association and from the Western Live Stock Growers' Association, which I will not take time to read because I presume other hon. members have received copies also. However, they go on to point out the increasing importations not only of dairy products but also of mutton and beef into this country from Australia and New Zealand. We find that the United States tariff is being raised to such an extent as practically to close those markets not only to Canada but to the world at large, which means that we will be shut out of the markets in the United States which we have enjoyed in the past, and from the increased importations into Canada from New Zealand and Australia in the last year it would seem that these two countries have been preparing for this condition and have been trying to develop a market in Canada. Therefore, now that the United States tariff has been increased, we may expect further increases in the products imported into Canada from Australia and New Zealand.

It is true that wheat has been the chief product of western Canada, but I think every hon. member realizes that the future for wheat growing is none too promising. As the hon. member for Red Deer (Mr. Speakman) pointed out yesterday in his very able speech, during the last five years the wheat acreage of the four great wheat producing countries has increased by 20,000,000 acres, and in addition we find that the European countries, because of their economic conditions and in order to avoid sending money out of their countries, which they cannot afford to do, are making every effort to stimulate production within their own boundaries. I should like to give the tariffs imposed by these countries against the importation of wheat. As we know, the United States tariff is 42 cents per bushel; in France it is 53 cents; in Germany 61⅔ cents, and in Italy 73 cents. In addition we find that French millers are compelled to use 97 per cent of domestic wheat in making flour, and in Germany the millers are compelled to use 50 per cent of their own wheat. Further than that, these countries give a bonus on the export of wheat, so under these circumstances what are the future prospects of Canadian wheat being able to find a ready market in these countries?

In these circumstances the natural tendency is to turn more and more to mixed farming. Only a few days ago we were given to understand that the Department of Agriculture had called a conference of farmers from various parts of Canada to discuss a production campaign. I believe the opinion of the farmers to be that while they are ready to do everything to increase production, they are becoming discouraged. They cannot help thinking, "What is the use of producing unless we are sure that we are going to get at least the cost of production out of it," and when they find their own markets left open to the dumping of the same commodities from all parts of the world, it is hard to get them to undertake a larger production campaign at the present time. They feel they should at least have some preference in their own markets.

A great deal has been said about the imports of butter, and a few minutes ago the hon. member for Comox-Alberni (Mr. Neill) stated that those imports were insignificant. The viewpoint taken in regard to this tariff question seems to depend largely on whose ox is being gored. In 1925 the imports of butter amounted to 198,341 pounds, while, as a result of this Australian treaty, they had increased in 1929 to 35,928,249 pounds.

Mr. NEILL: I was speaking definitely about Australia; the hon. member is adding the imports from New Zealand. He might as well include Belgium or any other country.

Mr. LUCAS: When we ask for the abrogation of the Australian treaty we include the abrogation of the New Zealand treaty which was brought into effect by order in council.

Mr. NEILL: That is a separate matter.

Mr. LUCAS: It is well understood that when Canada negotiated a treaty with Australia each country extended to the other certain advantages in respect to lowered tariff. New Zealand asked that the same advantages should be extended to her, and by order in council 1757 the Australian treaty was made applicable to New Zealand.

Mr. NEILL: The doing away with the Australian treaty will not cancel Canada's obligation to New Zealand; that is a separate agreement.

Mr. LUCAS: The agreement states that subject to the provisions of the customs tariff of 1907, the governor in council may by order in council extend the advantages to the goods, produce and manufacture of any British country. If there were no treaty with Australia there would be no basis for an agreement with New Zealand.

In 1925 the importations of meat and meat products amounted to $4,264,076, but by 1929 that figure had increased to $5,904,979. Those are the figures for the imports from all countries, but it will be found that the imports from Australia and New Zealand have been increasing very rapidly for the last few years. On top of all this, the farmer has been compelled to pay more for his raisins, so is it any wonder that he is complaining? He is faced with competition in his own market and forced to pay higher prices for those commodities which he has to buy.

As I said before, this tariff question seems to be a matter of whose ox is being gored. I could not agree with the hon. member for East Calgary (Mr. Adshead) when he stated a short time ago that labour was in a different position from that of the cow. The attitude of the Labour members in this house has been to protect labour through keeping out of the country the large influx of labour which desires to come here. I do not blame them for taking that attitude, but is there any difference in protecting the farmers? The farmer's reward is the price he obtains for his products, and I think the farmer is asking only for that protection asked for by the Labour party.

Mr. ADSHEAD: Labour which is imported into Canada becomes part of the citizenship and national life of the country; cows do not.

Mr. LUCAS: I am putting it upon the basis of a cow; the farmer has to get his reward from the cow. Surely the farmer becomes just as good a citizen of this country as does the labour man and has just as good a right to a fair reward for his labour.

A few days ago when a resolution was introduced into the house by the hon. member for Macleod (Mr. Coote) asking for a reduction of the tariff on motor trucks, to which an amendment was moved by the hon. leader of the opposition (Mr. Bennett) that the debate be adjourned because he did not have sufficient information, the hon. member for Weyburn (Mr. Young) supported that amendment till he also could get further information. The result, of course, was to retain the tariff. I think all hon. members are agreed that the tariff on motor trucks and motor cars is much too high.

Mr. YOUNG (Weyburn): What was the amendment to which my hon. friend refers?

Mr. LUCAS: I think the hon. member is familiar with the resolution moved by the hon. member for Macleod, asking for a reduction of the tariff on motor trucks.

Mr. YOUNG (Weyburn): What was the amendment to that resolution to which my hon. friend referred?

Mr. LUCAS: The amendment was moved by the hon. leader of the opposition that the debate be adjourned on the ground that he did not have sufficient information; nor did my hon. friend (Mr. Young, Weyburn), have sufficient information although he had been talking about free trade for all these years. When this question was up for debate a few days ago he defended the New Zealand treaty, and then turned around and voted to revise that treaty. If that treaty is revised, what other class of goods can we get from New Zealand except farm products?

Mr. YOUNG (Weyburn): How did my hon. friend vote on that occasion?

Mr. LUCAS: The hon. member can obtain that information by reference to the votes and proceedings. My hon. friend seemed to be bitterly disappointed about hon. members in this section of the house sacrificing their principles, and yet I find that he is supporting a government which is taxing the people on other commodities of life just as esesntial as is butter. What has he done to have the tariff reduced on wearing apparel, boots and shoes, and things of that kind which are absolute necessities. We have a tariff of 30 per cent on boots and shoes, 30 per cent on clothing, 35 per cent on woollen goods—surely the people of western Canada require woollen clothing—30 per cent on furniture and 35 per cent on enamel ware.

Mr. STEVENS: Does the Consumers' League support those tariffs?

Mr. LUCAS: It is evidently supporting the government which keeps those tariffs in effect.

Mr. STEVENS: That is terrible.

Mr. LUCAS: I believe that the representatives of western Canada all have been sincere in advocating lower tariffs and freer trade, and yet they sit in with and take responsibility for a government which has not been able to reduce those tariffs. Is it any wonder that the farmers of Canada are losing hope of obtaining any reduction?

Mr. YOUNG (Weyburn): At least we have not come to the point where we ask the government to increase the duties.

Mr. STEVENS: The government does it.

An hon. MEMBER: What about raisins?

Mr. LUCAS: I would like to call attention also to the composition of the cabinet.

Mr. STEVENS: Where are they?

Mr. LUCAS: In that cabinet are four outstanding men from western Canada who I believe are sincere and who possess ability, and of that four, two were former leaders of the Progressive movement. One would think that when those men got into the cabinet there would have been some lowering of the tariff.

In my opinion the proper way to deal with this question is to adopt a common sense attitude. I heard a very prominent gentleman from western Canada, a strong advocate of free trade, state that he was convinced that if we were going to hold confederation together we would have to have a tariff in this country. When one looks over the rates of duties imposed by Canada from confederation down to the present time, it will be found that the rate of duty has remained fairly stationary, but for the information of my hon. friends I would tell them that it is to-day a little higher than it was when the present government came into office. To save the putting of these figures on Hansard, I would refer hon. members to pages 10, 11 and 12 of Trade of Canada. It will be a good education for them to look over those figures, because they will find that the average rate of duty has remained almost static since confederation, irrespective of which party has been in power.

Mr. BROWN: The average rate.

Mr. LUCAS: The hon. member for Lisgar (Mr. Brown) would be very glad to use these rates, to show that high tariffs existed under other governments.

Mr. BROWN: The hon. member for Lisgar is not guilty of basing his argument upon averages.

Mr. IRVINE: He had better not.

Mr. LUCAS: I am of the opinion that the farmers still believe in the principle of free trade; I believe in that principle myself, but if we are going to have tariff then let it be administered fairly. It has been stated that we were breaking one of the planks in the platform of the Canadian Council of Agriculture.

I would like to suggest that there was also in that platform a plank on prohibition and yet we find to-day two farmer governments in western Canada are administering liquor laws. Nevertheless I believe the farmers of western Canada are just as strong to-day as ever in favour of prohibition but because of the situation they find this the most practical way to deal with the matter.

Mr. BROWN: Is the hon. member aware that those laws were brought in by referendum of the people?

Mr. DUNNING: The debate has wandered far afield from the amendment and subamendment before the house. When it reaches prohibition, I think it is time to raise a point of order.

Mr. LUCAS: It was just on account of criticisms which have been levelled against this group that I was developing my argument along those lines.

Mr. STEVENS: It is going home, all right.

Mr. LUCAS: Yes. I should like to give another illustration. I believe the hon. gentlemen—and I was one of them—who voted the other night to establish a divorce court in Ontario, were just as much opposed to the principle of divorce and just as much in favour

of maintaining the sanctity of the home as those who voted against it but we have divorce and have to deal with it. So it is with protection; I believe the farmers of Canada are still opposed to the principle of protection, but they realize that Canada has a tariff with no hope of it being lowered and they then insist that it be administered on a basis of equality, or as near equality as can be, for all concerned.

Mr. C. H. DICKIE (Nanaimo): Mr. Speaker, I rise for a moment or two to correct a false impression which may go abroad with respect to some remarks that were made yesterday afternoon in the course of a very able address by the hon. member for Hants-Kings (Mr. Ilsley). He claimed that because a very important member of the Conservative party had insisted that the Australian treaty should be abrogated, our party was practically put on record as being in favour of abrogating that treaty. I do not think that is much of an argument, but it seems to be more or less accepted by those who were paying attention to his speech. You might just as well ask hon. members from the province of Quebec whether they were bound by what the Minister of the Interior (Mr. Stewart) said when he sounded the death knell of protection. We on this side of the house have views of our own; we are not blind driven cattle. Although there are on this side of the house some who may favour the abrogation of the Australian treaty, a majority on the Conservative side are absolutely opposed to that action.

With respect to the advice so nicely handed out by the hon. member for Comox-Alberni (Mr. Neill), I should like to ask that hon. gentleman to confine his attention to his own constituency, because that is about as far as his vision has ever extended in the house—that and keeping the government in power. We hon. members from Vancouver island quite realize what we are doing and whether it is good politics or not we are trying in a large way to do something for the Dominion of Canada besides trying to keep ourselves in power. If that hon. gentleman could only extract a little pleasure out of some of his remarks, he might be excused, but he seems to make himself more miserable every time he says anything. In the tepid waters of the southern Pacific ocean there is a petulant fish known as the stingaree. If you happen to tread on that fish it will sting you. If it cannot sting you, it gets so angry it stings itself. I am sometimes reminded of that fish.

I see nothing dangerous in the amendment to the amendment moved by the Conservative side of the house in regard to the Australian treaty. It is simply an expression of opinion that an endeavour be made to see whether a more equitable treaty cannot be entered into. The hon. member for Comox-Alberni tells of the consternation of the lumbering people of Vancouver island. Our United States friends shipped $12,000,000 worth of lumber to the Antipodes, to Australia, while we of British Columbia shipped only a measly $144,000 worth last year. We want to see whether we cannot obtain some concession from those people in order to enable us to ship more of our lumber to Australia, especially in view of the fact that the United States have practically told us that we cannot ship them lumber, because that is what the duty of $1.50 on rough lumber means.

The hon. member for Vancouver Centre (Mr. Stevens) pointed out certain advantages that might accrue to Australia by a revision of the treaty. We wish not to abrogate the treaty but to try to do something for Australia, for empire trade. The hon. member for Vancouver Centre pointed out where we might do something in the matter of importing hides from that country and he indicated how that might accrue to their advantage. He also showed how we might confer immense advantage on that country by buying their dried fruits instead of those of the United States who are milking us dry year after year of an immense amount of money which should be distributed throughout the British Empire. He also told us we might import sugar from Australia. There are many things that might enter into a discussion of a revision of this treaty and that would amply justify such a revision. If the Australian people, as the hon. member for Comox-Alberni suggests, are ready to throw up this treaty, they would give us six months' notice and throw it up to-morrow. There is no danger of that. We can enter into negotiations with those people in the friendliest spirit in an endeavour to do something which is good for empire trade and which will keep our money within the empire.

When this treaty was entered into with Australia, we were not in favour of all its clauses, but I think none of us voted against it when it was put to a vote in the house. We thought then as we think now, that agriculture paid the whole bill for the treaty. We thought a treaty could be arranged whereby the agriculturists of Canada would not be penalized as heavily as they were in order that we of the Pacific coast might receive a few concessions. However, we debated that question and we were unable to have the treaty arranged along any different lines. We all know when that splendid gentleman, Mr.

Robb, who has departed from us, came back from Australia, he had different views with respect to the treaty. If we then had passed a tariff such as good economic sense would dictate, a tariff of eight cents a pound on butter against the world and especially against the United States, we could have given Australia a concession which would have been satisfactory to them and still not have had the effect of destroying, as the treaty extended to New Zealand has done, the dairy business of Canada. In an excellent speech made by the hon. member for Red Deer (Mr. Speakman)—and I would advise the hon. member for Comox-Alberni to study that hon. gentleman's speech and see whether he cannot make one somewhat along the same lines because it was a speech full of kindness to all concerned—

Mr. GARLAND (Bow River): I would suggest the hon. member might sting himself before he got through.

Mr. DICKIE: No. In a very excellent speech the hon. member for Red Deer gave expression to views with which we are perhaps at variance, but his remarks were made in such a delightful manner that one could not but admire his sincerity, although one might, in one's self conceit, deplore his economic views. That speech, however, made a great impression upon me and reminded me of a point which I have forgotten. That is all I wish to say on the question. I am absolutely opposed to abrogating the Australian treaty, to doing anything to antagonize those people against the people of British Columbia or Canada. Our opinion on this side of the house is that the amendment to the amendment does not do that; it asks simply that a treaty be entered into which will confer greater advantages upon Australians as well as upon ourselves. If as a result of the amendment to the amendment the government were to go out of power—and I have no thought that such will be the case—I do not think Canada would suffer to any great extent.

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, the amendment which was moved to the motion to go into supply by the hon. member for Acadia (Mr. Gardiner) representing the groups in the southeast corner, is of course a definite want of confidence motion, but it expresses, according to those who have supported it, their desires with respect to the subject matter of it. The sponsors of the amendment desire that the Australian treaty should be abrogated forthwith and they base their contention upon the idea that the Australian treaty at present existing imposes a hardship on agriculture as an industry for the benefit of other industries and they quote in support of their argument a great many figures and references from the treaty itself. I propose in that connection to apply the practical test rather than the theoretical test. Has the Australian treaty injured agriculture in Canada? The answer to that question will be found, of course, in the answer to another question. Have the imports of agricultural products from Australia been of such a character and in such volume as injuriously to affect agriculture in this Dominion? I have before me the statistics of the trade of Canada, and I can best illustrate by quoting directly from the import figures from Australia during the last fiscal year, ending March 31, 1929. I shall quote all of the articles which could even conceivably be considered to come into competition with any branch of Canadian agriculture or horticulture. I will give the figures in round numbers:

Value of Importations from Australia in Fiscal Year ending March 31, 1929

Apples	$ 91
Grapes	5,000
Other fresh fruits	2,000
Canned fruits	93,000
Onions	18,000
Peas	280
Seeds	27
Beef	97,000
Mutton	377,000
Butter	93,000
Raw wool	136,000

That comprises the full list of articles which we imported from Australia in the fiscal year 1929 which could in any sense be argued to come into competition with any branch of Canadian agriculture. I wish to ask the members of this house if they deem these imports, to the values that I have read, injuriously to affect Canadian agriculture to such a degree as to warrant the abrogation of the treaty. I am certain, Mr. Speaker, that the workmen engaged in the industries, the lumber industry, the motor industry, and all the other industries which were exporting to Australia in the same year under the treaty, consumed far more of the same products than were imported from Australia in that year; in fact, the very trade which was developed in Canada under this treaty produced a greater market in Canada for the agricultural commodities that we imported from Australia than Australia itself supplied. It increased the demand for the products of the Canadian farm and the Canadian orchard.

Let us look at the history of this treaty, again from a practical point of view. It is

easy to argue questions of theory in regard to such matters, but we have in this particular case the practical experience of the operation of the treaty which has now been in existence for a period of fifty-three months. To the end of February last was fifty-three months from the date of coming into force of the Australian treaty. I have here the figures which indicate in a practical way the results of that treaty so far as trade is concerned. I find that during the period in which the treaty has been in force we have sold to Australia, $77,000,000 worth of goods and Australia has sold to us $20,900,000 worth; in other words, in fifty-three months of operation of the treaty, Canada has sold to Australia, $56,000,000 worth of goods more than Australia has sold to Canada. That is to say, month by month we have sold $1,000,000 worth of goods more to Australia than Australia has sold to us. That is the practical result of the treaty as a whole, and I may say frankly to my hon. friends in the corner who desire the abrogation of the treaty that the government is not prepared to give any encouragement at all either in this house or in the country to the idea that parliament favours the abrogation of the treaty.

The Australian treaty, as was indicated in the addresses to which we have listened in this debate, was negotiated by my predecessor in office. Every treaty, of course, is subject to criticism. It is subject to criticism for the reason that in order to arrange a treaty to sell our goods, we must also be willing to consider buying goods from the same country, and it is not possible, as my hon. friend from Vancouver Centre (Mr. Stevens) argued, to reach that perfect position where we can always export those things which the other country does not produce and always import those things which we do not produce. That is a counsel of perfection which never has been attained in any trade treaty negotiations with any country in the world so far as I am aware. We may endeavour to approach it as near as we can, and it is in that regard a counsel of perfection.

Mr. STEVENS: That is all I suggested, of course.

Mr. DUNNING: The Australian treaty was extended to New Zealand by order in council. I do not wish to get out of order, Mr. Speaker, by traversing the ground of a previous debate, but it is in order, I believe, for me to give figures respecting the operation of the Australian treaty as a whole, as respects not only Australia, but Australia and New Zealand combined. I find that we have exported to New Zealand during the fifty-three months of operation of the Australian treaty $69,000,000 worth of goods, and that we have purchased from New Zealand $40,000,000 worth, but as I indicated in a previous debate the government of Canada and the government of New Zealand are prepared to endeavour to work out a direct treaty as between Canada and New Zealand.

With respect to the Australian treaty, numerous interests in Canada representing industries other than those which specifically benefit under the treaty have on various occasions approached my colleague the Minister of Trade and Commerce (Mr. Malcolm) with a view to opening negotiations with Australia for the extension of Canadian trade in those particular products. The Department of Trade and Commerce exists primarily for the extension of Canadian trade, and through the medium of the organization directed by that department every effort is constantly being made to extend Canadian trade not only with Australia but with all parts of the world. Notable success has been met with in the case of Australia, for during the past twelve months there has been a marked improvement in the shipment of Canadian lumber to Australia and New Zealand, an improvement which we hope and believe can be augmented in the years to come. We do not propose in connection with Australia or in connection with New Zealand to intimate either to Australia or to New Zealand that we do not want to trade with them. We do not propose that any indication shall go out to Australia, through the press or otherwise, that the Canadian parliament desires to abrogate the Australian treaty. We might conceivably be able to negotiate something better, but we are not taking the position that we desire to abrogate this treaty. With such a balance of trade in our favour as I have indicated, no government could possibly, in the interests of its own people, indicate a desire to terminate an arrangement which has worked out so satisfactorily for its own people.

Now I come to the Conservative subamendment. It is very skilfully worded, worded, of course, having in mind the known policy of the government in relation to matters of this kind. but quite contrary, may I suggest, to many of the speeches from Conservative members to which we have listened in this house in past sessions, and certainly quite contrary to the propaganda which has been spread from one end of Canada to the other, outside of British Columbia, by the Conservative party with respect to the Australian treaty. As my hon. friend from Hants-Kings (Mr. Ilsley) said last night, the financial critic of the opposition, the hon. member for South

Wellington (Mr. Guthrie), speaking in that capacity in the budget debate of only last year, demanded the abrogation of the Australian treaty. Now this year we are faced with a subamendment moved by my hon. friend from Vancouver Centre worded in such a way that the Conservative party may avoid expressing an opinion as to whether or not the Australian treaty should be abrogated. That subamendment is moved for the purpose of extricating the Conservative party from the dilemma of having to pronounce yes or no on the question of the abrogation of the treaty, which is what the motion of my hon. friend for Acadia (Mr. Gardiner) asks for. No word at all of its policy in the past in that regard. All of the speeches to which we have listened with respect to this subamendment have emanated from hon. members of the Conservative party from British Columbia. We have heard no word whatever from the hon. member for Haldimand (Mr. Senn), from the hon. member for Dufferin-Simcoe (Mr. Rowe), practically the whole of whose speeches the other day on the New Zealand trade agreement were equally applicable in other parts of Canada as against the Australian treaty. The same arguments have been used all over Canada outside British Columbia by my friends opposite denouncing the Australian treaty.

Now, Mr. Speaker, we on this side, in the interests of reasonable discussion and reasonable understanding on the part of the people of Canada of what we do here, deem it desirable that this house should definitely place itself on record either for or against abrogation of the Australian treaty. If we accept and support the subamendment moved by my hon. friend from Vancouver Centre (Mr. Stevens) on behalf of the Conservative party, we deliberately deprive this house of the opportunity of expressing its will with respect to the abrogation of the Australian treaty. We do not propose, sir, to be placed in that position. My hon. friend's subamendment is of course equally a want of confidence motion. The fact that it expresses in very simple language agreement in the policy of the present government is not the point. The point is that the adoption of the subamendment would enable this house to evade expressing by a direct vote its opinion as to whether or not the Australian treaty should be abrogated. For that reason, sir, the government cannot accept the subamendment. The government desires to see this house go on record definitely, so the people of Australia may know to what extent the people of Canada really desire to continue trade relations with them under the treaty, to what extent the people of Canada through their representative desire its abrogation.

That, I think, Mr. Speaker, is all I have to say at the present time except this, that the work which has been done by the officers of the Department of Trade and Commerce, and by various delegations from Canada which have visited Australia in recent months and recent years, encourages us to believe that the experience which both countries have secured through this treaty, which took so many long years to negotiate, is of a character which will encourage both countries to endeavour more and more to trade with each other. We on this side of the house are desirous that this trade should be extended, and we are certainly not in favour of saying to Australia that we do not desire to trade with her.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, the hon. gentlemen who have spoken from this side of the house have, I think, made it very clear why the motion for the abrogation of the treaty was made. I do not believe it is necessary to recapitulate the arguments in that regard. I desire rather to make reply to some of the references made by hon. gentlemen opposite to hon. members in this section of the house. First let me say that I am not surprised at the reply which the Minister of Finance (Mr. Dunning) has just made to the arguments advanced by hon. gentlemen who have preceded me in this section of the house. It is to be expected that the Minister of Finance, being a member of the government which negotiated the treaty, would have more regard for the treaty than he has for the people affected by it, because the reputation of his administration is involved in the treaty. No wonder the hon. member for Lisgar (Mr. Brown) runs away when he recognizes that fact.

Some hon. MEMBERS: Oh, oh.

An hon. MEMBER: He never runs away.

Mr. IRVINE: The minister tells us that he is going to come down to the technical side of the argument, and he proceeds to give us certain lists of figures. In his first list he leaves out New Zealand, of course, and then he places his emphasis upon the smallness of the amount of import trade involved, that we have purchased so little from Australia and we have sold so much to her; and thus having a treaty that gives us an excellent, favourable balance of trade, it would be a shame indeed to abrogate it. I am surprised that the Minister of Finance should hold such views about trade balances as he expressed, although on second consideration, I recall that he regards a bank as

a place where you can keep money safely. I think he might as well say that the ocean is a splendid place to keep water wet. Well, an hon. gentleman who has that conception of finance may have any kind of conception about trade. There is no such thing as a favourable balance of trade; apart from the expressions of the minister it has no meaning in so far as Canada is concerned—none whatsoever. He leaves out, I say, in his first list of figures the New Zealand part, but brings it in later and points out that during the period of the trade arrangement with that country we bought nearly $40,000,000 of goods: Now, a $40,000,000 market to the dairy industry of Canada during the last few months would have been of very great importance. We cannot disregard a market of that extent so carelessly as the Minister appears to do. However, the ultimatum has gone forth: Nothing shall be considered in the way of abrogating this treaty; the amount purchased from Australia and New Zealand at the expense of the agricultural industry of Canada does not matter; let it be known that certain great industries of Canada have benefited by the sacrifice of the agricultural industry; therefore the treaty must be continued.

I can understand the position of the hon. member for Comox-Alberni (Mr. Neill). He makes it clear without any equivocations at all. There are certain industries benefited by this treaty, and they happen to be in his province. Naturally he speaks for them. I disagree with him, however, when he points out that the amendment is a want of confidence in the government. The amendment is a want of confidence in the Australian treaty. So far as I am concerned, I am quite willing to vote want of confidence in the Australian treaty, and the next moment vote that this government stay where it is until the proper time, 1931, and then go to the people again. I am not seeking to defeat the government. I am seeking to express lack of confidence in the Australian treaty, and to that extent the remarks of the hon. member for Comox-Alberni were beside the point. He is very much interested apparently in what Australia may think about what we say regarding the treaty; he is not so much interested in the farmers who are suffering because of it.

Now, the Australian treaty of course is an agreement made in respect of trade between the governments of Canada and Australia, an agreement mutually arrived at. On the one hand, Australia agreed to reduce tariff on certain commodities imported from Canada; in return Canada agreed to reduced tariffs on certain commodities coming into Canada from Australia. Our government at that time was in a rather difficult political position. Having been elected on a platform of tariff reduction, revision of the tariff downwards with a view to free trade, it was of course anxious to get some excuse that could be used in election time as pointing towards specific tariff reductions. At the same time the government was being pressed by certain industries for an increase of tariff. So the Australian treaty appeared as a solvent of this political puzzle, for the advantages given to our protected interests were equivalent to increases in the tariff; and the reductions which were made on commodities produced by a class that has expressed itself in favour of tariff reduction. Therefore the government said; These people, the farmers, want tariff reduction; we will give them tariff reduction; they have four per cent protection on butter, we will reduce it to one cent and see how they like free trade when they get it; and in return for that we will secure further privileges in foreign markets for our manufacturers who already are protected very highly in Canada. Thus they placed the farmer at a greater disadvantage than before, because in exchanging his product of butter for commodities manufactured by our protected industries he would have three cents a pound disadvantage greater than previously. So the government when it is asked at the next election: "How much have you reduced the tariff; were you not elected to do that?" must reply to the farmers: "We reduced the tariff three cents a pound on butter coming from Australia."

Now, Mr. Speaker, I want to make it very clear that I am not asking for the abrogation of the Australian treaty on the ground that Australia got a better bargain than we did. So far as the two countries are concerned the bargain may be fair; I have not gone into that phase of the matter. I am objecting to the treaty because it implies class discrimination, as the treaty affects certain classes in Canada.

That is the basis of our objection to it, and apparently that point escaped the hon. member for Hants-Kings (Mr. Ilsley) yesterday, when he extolled the treaty because it increased trade and especially because it increased the sale of nails and fish in the maritime provinces. I wonder whether, in the early period of our industrial development, when child labour was in vogue, it could not have been said that child labour increased trade, but what a standard of statesmanship that is. If the manufacturers of the maritime provinces are so anxious to increase trade, let them reduce the price of their nails. They can give nails away, if they wish, and

that will increase trade still further. If it is merely an increase in trade that the hon. gentleman wants he can get it in that way, but such an increase of trade surely would not be regarded by him as sound economics. Neither is it sound economics to increase trade with Australia in the way in which that has been done.

While I am referring to the remarks of the hon. member for Hants-Kings I should like to comment upon another observation which he made. Directing his remarks to the representatives of the United Farmers of Alberta in particular, he said he had envied the independence displayed by hon. members of the United Farmers of Alberta group in this house until some hon. member on this side said that as the representative of an organized agricultural community he must represent the voice of that community. That was too much for the hon. gentleman. What to him was the voice of the people; what to him were the boasted tenets of historic and theoretical Liberalism? They are no more to him, apparently, than the reddening of the rose or the swing of Pliades to Millet's Man With the Hoe. What would he have us do? There are only two other courses, so far as I am aware, that he or any other member of the house could take. One course would be to follow the party, to be a blind slave of the plutocratic class which dictates the policy of the party. That is one way, but there is another; my hon. friend could disregard everyone and stand up in this house expressing only what he thinks. That is the very acme of autocracy, but even if the hon. gentleman desired to do so surely he would not tell us that there is a community in Canada which thinks what he has to say so wise that they will indemnify him just for the privilege of hearing him say it on the floor of this house. With all due respect to his wisdom that is not a very safe basis of representation. The only other course is to represent the people who send us here, and in this regard also I think the hon. member for Lisgar (Mr. Brown) misunderstood the hon. member for Acadia (Mr. Gardiner), when the former described the latter as having defended his right to change his principles. The hon. member for Acadia did no such thing although, if it be necessary to change principles, we are not afraid to do so. The hon. member merely established the fact that from the very beginning this group worked under a very different principle from that followed by the hon. member for Lisgar when he sat in this corner of the house.

In reply to the hon. member for Hants-Kings I might say that I regard myself as a delegate of my constituents, and I regard that as the highest function that can be fulfilled by any hon. member of this house. In trying to be such a delegate I would rather fail in trying to do some things than succeed in doing certain other things; I would rather fail in trying to be a delegate of the United Farmers of Alberta than succeed in being a thoroughly complacent and amiable partisan. May I add that I am free to serve the people who send me here, while a partisan is bound to serve the party system, the thing which sent him here. The party system is the thing which stands between hon. gentlemen opposite, who have criticized us in this regard, and the people they are supposed to represent.

The discussion on the amendment before the house has stirred up the musty arguments for and against the tariff, which cover a period of history from Adam Smith down to Stephen Leacock, who wisely made a huge joke of the "dismal science." The treaty itself is indeed a commodious umbrella under which free trader and protectionist alike can find shelter. The protectionist can argue with a great deal of force that in raising the tariff on raisins and thus increasing the price of raisins to the consumers in Canada he was true to the protectionist principle. He could also argue that in bartering with certain interests of Canada for certain privileges to the manufacturers in Canada, he was also in line with the protectionist principle. On the other hand, if he wishes to pose as an advocate of free trade or reduced tariffs, then he can argue that since he removed 3 cents from the duty on butter, he also is a free trader, and so as I say the treaty does not lend itself to either of the contending parties. Both may stand under it if they so desire, and I could not possibly say whether or not the treaty as a whole is more favourable to the theories of the Liberal or Conservative parties, just as I cannot say whether the hon. member for Lisgar is more free trader than protectionist because of his support not only of this treaty but of a government which is manifestly protectionist.

In this connection I am reminded of an editorial which appeared recently in the Ottawa Citizen, headed "Mulberry Bush of Politics." The editorial begins by saying:

> There is more fruitless discussion of tariff protectionism than of any other subject in Canadian politics.

Then it goes on to quote and comment upon certain statements made by the leaders of both parties in this country. The first statement quoted is a very liberal statement by the leader of the opposition, in which he said:

> A policy to give fair treatment, equal opportunity in competition with the peoples of the world, for the protection of agriculture, labour, industry and the consumer.

Then the editorial goes on to quote a protectionist statement by a member of the Liberal government as follows:

> Free trade is all right in theory, if countries did not erect impassable tariff walls around them. I am not afraid to say and use the word, that in a country which is excluded from the markets of another country, the tariff may legitimately be used in a reasonable way to protect the rights of the consumer and also for protection of the industries of that country so that these industries may have a right to their own market.

There you have the mulberry bush of politics. In that connection I believe there is a story of a strange way in which the foxes of Manitoba capture the turkeys. I do not vouch for the accuracy of the story itself, but I do vouch for the accuracy of its application. It is said that when the turkeys in Manitoba go to the tops of the trees in the evening to roost, they are sometimes captured by the foxes, which come to the foot of the tree, take their tails in their mouths and roll around and around the tree. The turkeys become so giddy after watching the foxes roll around the tree that they fall down, and are easily captured. It appears to me that the hon. member for Lisgar has been sitting at the top of the mulberry bush of tariff discussion and that he has watched and listened to the circumlocutions of his friends to such an extent that he has become giddy and fallen down to become the easy prey of his adversaries. He wants to be generous with regard to dairy products; he wants to salve his political conscience with butter. He has not been able to reduce the tariff on anything else, and so he dabs butter on his conscience and tries to make himself satisfied with that sort of thing. He suggests that those engaged in the dairy industry are incapable of speaking for themselves. I hope he will not charge me again with misquoting him; rather, I am interpreting him. He stands up to speak for the dairy industry, and says that they do not know what they want when they ask for the abrogation of the treaty; that apparently they are suffering from some kind of mental strain; that he knows better than they know what they want, and he knows they do not want any protection at all. When we in this corner of the house recognize the appeal of organized agriculture the hon. member for Lisgar charges us with apostasy. In doing that he reminds me of the story about the man crying "stop thief." The hon. gentleman is trying to direct the attention of the country away from himself. That word apostasy, like some of the hon. gentleman's opinions, belongs to the dark ages. It does not savour even of theoretic Liberalism, not to mention Progressive philosophy. My hon. friend will have to accept either the word "apostasy" or something worse as descriptive of his own position. It is quite possible that a man who had changed his views might be dubbed an apostate, but there are worse words than that. If he believed in what he said when he was on this side of the house, then he is now an apostate; if he did not believe what he said at that time he is worse than an apostate, and I will leave the house to supply the proper word to describe him. I presume I would be out of order if I spoke that word.

Let us see what my hon. friend was elected to do. According to the new national policy, which was apparently still born, he believed in the following:

> We believe that the best interests of the empire and of Canada would be served by reciprocal action on the part of Canada through gradual reduction of the tariff on British imports, having for its objects closer union and a better understanding between Canada and the motherland, and at the same time bring about a great reduction in the cost of living to our Canadian people.

And in dealing with definite tariff demands, it says:

> By reducing the customs duties on goods imported from Great Britain to one-half the rates charged under the general tariff, and that further gradual, uniform reductions be made in the remaining tariff on British imports that will ensure complete free trade between Great Britain and Canada in five years.

Mr. STEVENS: How long ago was that?

Mr. IRVINE: That was in 1918; I am afraid the five years are up.

Mr. BENNETT: The hon. Minister of Railways (Mr. Crerar) was there also.

Mr. IRVINE: The hon. Minister of Railways was the leader of that new national policy; now he is the chaser of it. Let me point out what the hon. member for Lisgar did in that regard. A subamendment to the budget was moved last year by an hon. member from the farmers' group, urging upon the government the consideration of an immediate and substantial increase of the British preference as a step towards freer trade relations between Canada and other nations. That subamendment was moved on April 9, 1929. The vote upon the subamendment appears at page 1465 of last year's Hansard, and the name of the hon. member for Lisgar appears in the list of nays. That vote was cast in the face of the declaration which I have just read. Then the hon. gentleman has the audacity to stand up in this house and shout "apostasy" to hon. members across the aisle.

His efforts in defending himself in supporting the government remind me of an old parlour game which no doubt many hon. members of the house have seen played. I think it is called tailing the donkey. The game is to put a picture of a donkey upon the wall, which donkey is minus a tail, and then the competitor is blindfolded and handed the tail and is told, "Now, don't look, please, but stick the tail in its proper place." The hon. gentleman from Lisgar with the handkerchief of partisanship around his eyes has been groping for the proper spot upon which to pin the donkey's tail, which would complete the picture of his defence of his apostasy, but in his struggle he has pinned the tail upon the back of the donkey's neck, thus making a monstrosity. He attacks the hon. member for Rosetown (Mr. Evans) upon the grounds of inconsistency, but I would commend to him Emerson's essay on self reliance, in which he will find the following:

A foolish consistency is the hobgoblin of little minds, adored by little statesmen.

I would point out to him that a great soul like the hon. member for Rosetown has nothing whatever to do with consistency. That hon. member will have to bear the penalty of the great, which is to be misunderstood. He is so great that he baffles the understanding of the hon. member for Lisgar.

I think the morality of the tariff issue was dealt with quite finally by the hon. member for Red Deer (Mr. Speakman), and I was pleased to discover that in one instance the hon. member for Lisgar supports the non-moral view of the tariff. He says, "What is the use of the farmers being protectionists, they can only get the husks anyway; if there was any chance of their getting the corn, then it would be all right for them to be protectionists." I quite agree with him that there is no morality in this tariff business; it is a business proposition pure and simple and there is no morality in business. We hope there will be some day, but at the present time it is every man for himself and the devil take the last one, and so far the farmer always has been last. Why does not the farmer want protection? Because so far as he knows there is no practical policy which will give him a protection equal to that which the manufacturer enjoys. There is no morality in that. Why does the manufacturer want a tariff? Because it is a practical political policy to give him the privileges he desires. There is no particular morality about that, and he is no more immoral in wanting a tariff than is the farmer in not wanting it. What we do want is equality of treatment. We want that firstly, because equality of treatment is sound economics, and we want it secondly because if there is going to be any morality in economics it must be upon a basis of equality.

The hon. member for Lisgar wants a treaty, and he wants it at once. He does not know why he wants it and he does not know what he wants to be in it, but he must have a treaty. He calls to account the hon. member for Acadia (Mr. Gardiner) for not wanting it. Let me say a word or two about the treaty, and about the subamendment which involves that treaty. The subamendment holds out the suggestion that this treaty which we seek to abrogate might be amended and might be improved thereby. We in this corner of the house are more interested in getting rid of a bad treaty than we are in negotiating a new one which, for all we know, may be equally as bad as or worse than the present treaty. This treaty offers an example of how a government can negotiate such an agreement to the disadvantage of agriculture. If we were to vote blindly and allow the government to proceed to negotiate another treaty, it might be worse than the present one and then, like the hon. member for Lisgar, we would have to assume part of the responsibility of having asked the government to take such action. We ask for the abrogation of this treaty because it discriminates against one class of people in our community. We insist that the government recognize that discrimination and we say that it is the first essential of good government to do so. If the government fails to recognize that discrimination it will not be able to get away from the evident implication that it is a servant of the class which is obtaining the most advantages from the treaty. There is more involved in this matter than so many pounds of butter or so many dozens of eggs; this is a very important question to the agricultural industry of Canada.

I conclude my remarks, Mr. Speaker, with the expression of the hope that this amendment will be carried, but should the government be technically defeated we shall restore it. I assure the hon. member for Comox-Alberni (Mr. Neill) who is so jealous in safeguarding the government that I shall help him to reinstate it in power. Perhaps it would be better to vote to sustain the government before we vote on the treaty, and in that way make sure that the government will be protected. I am willing to do anything which will please the hon. member for Comox-Alberni who is so afraid that the government will be wrecked.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, I appreciate the difficulty of holding the attention of the house after its having listened to such an able and inspiring address as that just delivered by the hon. member for Wetaskiwin (Mr. Irvine). I will admit at the outset that the Australian treaty has been of considerable benefit to Canada. My objection to it is not that it has been a disadvantage to Canada as a whole. I believe it has been an advantage and at the same time I am going to admit that the advantage it has been to industry would be to some extent passed on to agriculture. We might as well admit that, but my objection to it is that it is based upon an entirely wrong principle. I need not go any further than to quote the former leader of the Conservative party, the Right Hon. Arthur Meighen. Speaking in the house in 1925, he told the government that they had secured a good deal for the manufacturers but had asked the farmer to step up to the counter and pay the whole bill. That is the principle upon which the treaty is based, and as the speaker who has just resumed his seat has said, it is to be judged not entirely by the amount of goods we have sold or purchased under the treaty, but by the principle underlying the treaty itself.

It is a matter of considerable congratulation to us in this section of the house that the agricultural industry has apparently come into its own as regards securing prominence in the debates of parliament. I recall away back in 1922 when those of us who sat in this section had considerable difficulty in getting the house to listen to a discussion of farm problems. Farming seemed to be an industry that had been very little considered prior to that time, but the change that has come about since then is illustrated by the fact that the agricultural industry, particularly the dairy part of it, has been given a great deal of prominence especially in the last two or three sessions. In the original draft of the treaty, the one that Canada had drafted and to which Australia agreed, there was an entirely different schedule of duties from the list that finally became law under the treaty. There may have been some objections on this account from the dairy industry, that those changes were made after the treaty had been agreed to by Australia. The particular objections of course from the dairymen are based on the fact that the tariff schedules under the Australian treaty have been extended to New Zealand and it is New Zealand that has been getting most of the advantage so far as the dairy industry is concerned. As I say, however, it is at least a matter for congratulation that the farmer and his industry, agriculture, have been recognized to the extent that they have been in public discussions.

There is a great deal of talk in the three sections of the house as to the farmer's attitude towards the policy of protection. Some hon. members, themselves good protectionists, seem to think it improper, almost immoral, for a farmer to ask for protection. I do not gather that the farmer is asking for protection. For many years we had a discussion in this country and throughout the empire over what we called equality of status. Finally we came to the point where our statesmen boasted that Canada had reached a position of equality of status within the empire and that the different dominions enjoyed that equality. Later, within the last couple of years, a new phrase has been coined—equality of status within Canada particularly as applied to the disposition and ownership of our natural resources. That is about to pass into history by the transfer of the natural resources to the various provinces, but now the farmer is raising another question of equality. He is asking for his industry equality of status within the economic unit. He is asking that the industry of agriculture be recognized and put on the same basis as other industries.

With regard to the question of protection, I am not quite so sure that the average farmer is as idealistic as his parliamentary representatives are. The farmers whom I know, the farmers with whom I discuss these matters, the farmers whom I meet from day to day, are intensely practical men. They are realists. The average farmer realizes that theorizing and philosophizing will not milk his cows in the morning, will not put his seed into the ground or take off his crop. He realizes that prayers without work will not secure him a good crop, and as I say he is an intensely practical man. What the farmer is asking for in connection with this question of protection is that there be no discrimination against him. He finds when he has to buy a pair of boots or shoes, an automobile, a motor truck, woollen or cotton clothing, hardware or the ordinary necessaries of life, he pays a tariff duty of from ten to thirty-five per cent, but when he offers his own products for sale on the market he has to compete with the outside on a free trade basis. I am not saying whether the farmer is right or wrong; there may be a difference of opinion about that. I am stating how I find the average farmer looking at these matters. I am simply stating the fact. The hon. member for Nelson (Mr. Bird) yesterday seemed to be rather shocked that the farmer was taking this stand. I am not

so sure that I can see the matter in just that light, because I think the farmer is choosing the lesser of two evils.

Let us illustrate the point in this way. Give the farmer a chance to-day to choose between absolute free trade, free trade in what he has to buy and what he has to sell, and the situation we have now, and the farmer will hold up his hands for free trade; there is no doubt about that. But he says that the parliament of Canada will not give him that; it will not permit him to buy his goods in the cheapest market. Therefore, he says: when I have to suffer all the injustices of the tariff in what I have to buy, surely I am not going to have free trade imposed upon me entirely on what I have to sell. It would seem to me to be just as logical to argue that because a farmer did not agree with a certain clause in the criminal code, when it came to a point where that particular clause would be of some protection to him, the officers entrusted with the enforcement of the law should say: Now, you do not believe in this particular clause in the criminal code, therefore we will not give you the protection of it. That is the way I think the average farmer looks at the matter. Whether the farmer is right or wrong, we are to-day facing facts and not theories. This is something we must recognize and any government must meet the situation as it exists. Indeed, the fact that the government realizes that was exemplified by its action a few days ago when it accepted a motion of the opposition to cancel the agreement with New Zealand. I say "accepted" because that in substance and effect was exactly what the government did.

Several members on the government benches, the Minister of Trade and Commerce (Mr. Malcolm) for one, seemed to argue that protection was of no use to the farmer. I am prepared to admit that protection can be of no use to the farmer where there is an exportable surplus. We must admit that. When there is an exportable surplus, the world market sets the price, but the Minister of Trade and Commerce and other men who take a protectionist stand would not admit that protection of industry does not benefit industry, and certainly as regards any farm product where there is not an exportable surplus, the tariff, whatever tariff there may be, must apply and must give those in that industry some protection.

Mr. MILLAR: Would that be a lasting benefit?

[Mr. Campbell.]

Mr. CAMPBELL: My hon. friend knows there is nothing lasting. Even the very sphere we are living in to-day is not lasting. We have to deal with things as they come up day by day.

Mr. MILLAR: That is hardly an answer. Would the benefit last even a few years? Would it not immediately be wiped out by increased production and reduced consumption?

Mr. CAMPBELL: It might or it might not, but my point is this—and I am trying to give the farmers' viewpoint, because I am talking with those men all the time; if it applies to industry, if those engaged in industry get any advantage from the tariff, surely it must apply to the products of agriculture so far as there is no exportable surplus. Of course I realize what my hon. friend says. If a tariff increases production and that production gets beyond the needs of the consuming ability of the country, then of course the price will immediately drop to the export basis. There is no argument about that, but at the present time we are a long way off from that situation in the case of butter.

My hon. and genial friend from Weyburn (Mr. Young) had a good deal to say as to principles as applied to members in this corner of the house. I cannot see that there is any principle involved in this question at all. As the hon. member for Comox-Alberni (Mr. Neill) said a few years ago, I think it is rather a geographical question. The farmer, I say without equivocation, would be prepared to accept absolute free trade tomorrow if he were permitted to buy in the open market. What he objects to is the discrimination that free trade is applied to him simply because he has accepted that philosophy. The result is that he has to buy in a protected market and sell in the open market.

There should be considerable satisfaction to those engaged in the dairy industry at the attention and consideration which that industry has received in the debates in this house. Away back in 1867 we chose the beaver as our national emblem because, I suppose, it was symbolical of industry. The beaver is an industrious little worker, always active. But in choosing the beaver, I think, regard was also had to the material side. The beaver at that time was very valuable. About 1867 we were carrying on a valuable fur trade in Canada. But the beaver, I think, has been supplanted by the dairy cow, and I suggest that we substitute the homely and prosaic dairy cow for the beaver as the national em-

blem of Canada. I want to make a suggestion to my hon. friend from North Battleford (Mr. McIntosh), who is interested in designing a new Canadian flag. I would suggest that his flag should show a fine Ayrshire cow against a grassy background, with a group of statesmen looking on admiringly. I think in view of the condition of the dairy industry at this time, such a design would be very appropriate.

Mr. COOTE: Who would be milking the cow?

Mr. CAMPBELL: Someone other than the farmer, probably.

A few days ago my hon. friend from Weyburn accused members on this side of the house of deserting the policies and principles upon which they were elected. May I remind him that people who live in glass houses should not throw stones, and rather than trying to take the mote out of our eyes, he should be thinking of the beam in his own. Whenever anyone posing as a proponent of protection for the farmer gets up and advocates such a policy in the house, my hon. friend from Weyburn swoops down on him like an avenging angel. He is ready to fight a legion of protectionist devils if they are not in league with the government, but when the manufacturers ask for and secure protection for their products, and we ask for consideration for the consumer, my hon. friend is as mum as an oyster; no one hears a word out of him. He asked one member in this group yesterday why we did not join the consumers' league. I will tell him why I do not join it, and I think this is true of my friends here generally. We are prepared to do our fighting on the floor of this house. We do not want to do it by proxy somewhere else: here is the place to do it. But my hon. friend sits quiet when there is any fighting of that kind to be done in this house, and he excuses himself by saying: just look at what the consumers' league is doing before the tariff board. Mr. Speaker, we in this part of the house are not doing our fighting by proxy somewhere else. We are doing it right here. I want to be fair to my hon. friend, for I know that he is honest, and that his heart is in the right place, but I think he is in a false position; he realizes that he has to answer the crack of the party whip. The hon. member for Nelson (Mr. Bird) and several other speakers yesterday referred to red herrings drawn across the trail in this debate. May I tell my hon. friend from Weyburn that I consider the consumers' league is simply a red herring to distract the attention of the people from the action of its members in this house.

Let me give my hon. friend an illustration, and again I say I wish to be fair to him because I have a very high regard for him. In 1928, the representative of the consumers' league before the tariff board, a gentleman who is employed and paid by the members of the league, wrote a letter in which he referred to the budget of 1928 as the worst budget since confederation. He referred particularly to the fact that Liberal principles were departed from in the reduction of the income tax, and in the regulations applying to the British preference, which had the effect of doubling the tariff on many articles that we import from Great Britain. That is what the representative of the consumers' league said about the 1928 budget. What did the members of the consumers' league in this house do?

Mr. STEVENS: Vote for the budget.

Mr. CAMPBELL: They swallowed the budget as completely and effectually as the whale swallowed Jonah, although in this case it might be more correct to say that Jonah swallowed the whale. I am sorry to have to cross swords with hon. members over there. I really feel rather sorry for them and believe they are entitled rather to our commiseration than to our condemnation. I invite them to come forward to the uplands where the air is pure and sweet. Let them come over here, where there is no party whip, and where a man can express his opinions just as he expresses them back in the country. We shall hear a great deal in the coming campaign about what the consumers' league did. I am more concerned about what the members of the consumers' league are doing in this house.

I have here a newspaper clipping of a speech delivered by the present Minister of Railways and Canals (Mr. Crerar) at Winnipeg, as reported in The Tribune of January 22, 1930, which, I believe, was after he was sworn in as minister. It reads:

> Condemning protective tariffs, Mr. Crerar said protection was a fiscal policy which could work out in no other way than by conferring benefits on certain sections of the community at the expense of the others. The principle of protection was not suited to a new country. "We can't build up eastern cities at the expense of western cities without developing jealousies, suspicions and strife."

Noble sentiments those; but what will the Minister of Railways do when it comes to deciding these issues on the floor of this house? That is the acid test—not sentiments expounded out in the country.

I say frankly that I do not want to see trade negotiations entirely eliminated between Canada and Australia. I believe that there is much to be gained by a treaty, and I take it for granted that if the government abrogated this treaty they would negotiate another one that would not be based on the present discriminations. That is what I have in mind in supporting the amendment, that the present treaty will be supplanted by a better one.

Mr. JOHN MILLAR (Qu'Appelle): We have heard at considerable length during this debate as to what the various dairymen's associations think about this matter, but we have not heard enough about what the dairymen themselves, those actually engaged in the business, think about it. I wish to place on Hansard the statement of a prominent dairyman of Saskatchewan, but before doing so I would refer to a report of the dairymen's association of Manitoba, held in the city of Winnipeg on the 6th of February last. Mr. P. E. Reid, dairy commissioner of Saskatchewan, delivered an address before the association, and from a Winnipeg Free Press correspondent's report, I quote:

> Saskatchewan, last year produced an exportable surplus of dairy products, i.e., exported outside of the province; that it was useless to expect the farmer to milk cows if he could make more and easier money in any other branch of farming.

The same correspondent states that in the addresses delivered by Doctor Marker, of Alberta, and Mr. Gibson, of Manitoba, there was no reference to the Australian treaty one way or the other. That is rather significant. This correspondent says that they stressed the necessity of quality and quantity production, and by inference one could assume that they were not worrying about markets, and profitable markets, if we improved our quality and increased our production. The correspondent goes on to say:

> These convention resolutions do not mean so much as some people would imagine.

I also wish to quote part of a letter written by Mr. Henry Thompson, a prominent dairy farmer of Fairlight, Saskatchewan, for twenty-two years, and a member of the dairymen's association. He says:

> I am very much of the opinion that if this protection was restored it would not benefit the producers one iota. Our biggest difficulty right along, as I find it, is that manufacturers are taking too much of the cream off the bowls right along, particularly here in Saskatchewan. They have played the same game for two or three years, to my knowledge. At the conventions they have worked a scheme to have a similar resolution put over each time.

[Mr. Campbell.]

In another part of his letter he says:

> Concerning the joint dairy association, held in the Saskatchewan hotel, Regina, two years ago, for about six weeks or so previous to this convention the price paid for this grade was 45 cents per pound f.o.b. Regina, but the price was dropped 3 cents to the producers, and in conversation with a prominent creamery manager of one of the city creameries, he stated to me a short while after, that there was no local cause to warrant that drop in price, as really their supply for that grade of cream was not equal to demand, and they personally could have advanced the price to 50 cents and give the producers the benefit, without hurting themselves in the least, and that they were able to pay over 10 per cent dividend that same year.

In describing the manner in which these dairy conventions are manipulated, Mr. Thompson says:

> When we greenhorns have sat and listened for some considerable time to these wonderful orations, and in rather an abrupt and blunt manner suggest that we do not accept these framed resolutions, as they have thus been prepared and cooked for us, it appears a bit funny, but the chairman begins to fidget and looks at his watch and reminds us there are other speakers yet to come, and, "I am afraid we will have to curtail this discussion. I am awfully sorry."

That is the way a prominent dairyman of Saskatchewan looks upon those resolutions on this question of protection on butter; stereotyped resolutions "prepared and cooked" for them.

I would refer to the reference made by the member for North Vancouver (Mr. McRae) to the attitude taken towards the Australian treaty by a prominent manufacturer. He said the manufacturers were behind the demand of the dairymen's association. I am not surprised at that in the least. The question in my mind is this: Which way did he reason; did he reason that in a short time the price of butter in Canada—provided the duty were increased to four cents a pound, thus bringing about increased production and reduced consumption—would be brought down to an export basis all the year round, and his workers would get cheaper butter than at present? Was that part of his reasoning? I think perhaps it was. Another reason probably is this, that by supporting the dairymen's association the manufacturers were allying themselves with those who are supposed to be representing the farmers, and they were gaining strength and support for their own efforts in getting protection for the manufacturing industry.

I listened with considerable interest to the addresses, particularly those from hon. members immediately across the floor. I found that in many respects their reasoning was sound but their conclusions were faulty. Take for instance the reasoning of the member for Red

Deer (Mr. Speakman); it was very logical, very clear, but he came to the conclusion that the tiny speck of advantage that might accrue to the farmer temporarily was well worth his support. That is just where I differ with him. Whether the principle of protection is involved matters not to me, but I think my friends in that corner of the house made a mistake in changing their attitude in regard to protection for the farmer. As representatives of farming constituencies they have, I think, made a mistake in allying themselves with those who would have protection; for I believe it would cost the farmer a great deal more than the benefit he would receive. The benefits from protection, as the member for Red Deer pointed out, would be very small indeed, and I am inclined to think those benefits would be lost in a very, very short time. After that the price of butter—and that is the commodity around which most of this discussion has centred—would in all probability be less to the producer than it is now. He would be selling his butter all the year round on an export basis, whereas now in the winter months he is receiving a higher price than the export price. It has been pointed out several times that he is receiving two cents a pound more than producers in the United States, and they are in a highly protected country. I will not detain the house longer.

Mr. KELLNER: Will the hon. member present the same argument in regard to wheat and ask the government to take that twelve cent duty off?

Mr. MILLAR: I am pleased to answer my hon. friend. I think the member for Mackenzie (Mr. Campbell) in his address made the point very clear. When there is a large export surplus it is impossible to increase the price by protection. As long as you can keep production below demand you can protect and benefit the producer of that commodity. But the main argument from this side of the house that I have listened to, and the argument that I stand by, is that in the matter of production it will be easy indeed by reducing consumption and increasing production to have an exportable surplus. I may add another remark: when there is a surplus for export you can protect those producing only if you have control of the output. Take fruit in the United States: the Americans export about seven per cent of their apples; with control they can get rid of that surplus of seven per cent at a slight loss or perhaps at bare cost; which enables them by reducing the home supply to bring that supply below the demand, and then they can protect the apple growing industry and raise the price of the 93 per cent above export price. I think that is a sound argument. I believe one reason why the producers of butter in Canada cannot be benefited by protection is simply that they have not got control of their output, and I do not see how they can get it, for they are too scattered. They are unlike the manufacturers of agricultural implements who are comparatively few in number and can get together on a gentleman's agreement, and so control their output, selling their small surplus abroad at a slight loss or at a small profit and then compelling the home market to pay a higher price. But that is not the case with the wheat grower, and it is quite evident that with a large surplus it is utterly impossible to benefit the producer of wheat by protection.

Mr. G. G. COOTE (Macleod): Mr. Speaker, in my opinion the debate has already taken up too much of the time of the house, and I think this is due to a custom which has grown altogether too common of late; too much time is spent in indulging in personalities and in criticism of other members, involving charges of inconsistency, apostasy and the like. We would make more progress if we confined our remarks to the question at issue. I am speaking simply for myself. Each member of this house is responsible to his constituents and not to his fellow members. The view that he expresses or the attitude that he takes on any questions coming before the house is his own particular business. If a member favours a measure I think he should advance any argument he may have in support of it, or if opposed he should advance argument against it, but leave questions of inconsistency and the like to the country.

So far as the question of consistency is concerned in my own case, I want to say that I opposed the Australian treaty in 1925 when it was introduced in this house, and I still oppose it. In that regard at least I am consistent. I am not opposed to the government entering into negotiations with New Zealand for securing, if possible, a better treaty, but I do not like to run the risk of voting to instruct the government to do so. I do not like the job they made when they negotiated the treaty with Australia and if they make as bad a job or worse in negotiating a treaty with New Zealand, I am sure I would feel compelled to oppose it and then I might be charged with inconsistency in that I had voted to instruct the government to enter into negotiations but refused to support the treaty when it was brought down. One always runs the risk of being charged with inconsistency in this house; I have found that out since I became a member.

I want to assure the government and the house that in my constituency there is more antagonism to the Australian treaty than there is to the extension of that treaty to New Zealand. I am anxious to vote for the abrogation of the treaty with Australia, because in that way we will get rid of both the Australian treaty and its extension to New Zealand. Cutting off the extension of the benefits of this treaty to New Zealand would simply be equivalent to cutting off one limb of the tree; I am anxious to see the tree itself cut down. If Australia were to abandon what is generally known as the Paterson scheme, instituted for the promotion of the export trade in butter, we would be faced with importations of just as much butter from Australia as we are now receiving from New Zealand. I am unable to understand the attitude of the hon. member for Comox-Alberni (Mr. Neill).

Those who are raising beef and mutton are facing the same conditions that are being experienced by the producers of butter, and just here I should like to quote briefly from a letter which was sent to the Prime Minister (Mr. Mackenzie King) by the Western Live Stock Growers' Association. It is dated November 18, 1929, and says:

> Australia has not been exporting beef into Canada until this year. We find there was none last year, against 1,616,000 pounds for the first nine months of this year, and the mutton and lamb exports to Canada have increased from 1,119,000 pounds last year to 3,359,000 pounds for the first nine months of this year, which, at the present rate, will amount to nearly four times as much lamb and mutton as the preceding year. New Zealand shipped us last year 1,756,000 pounds of beef as against 2,000,000 pounds for the first nine months of this year, also a big increase. These two countries have such an enormous advantage over us in the cost of raising cattle and sheep that we can easily understand that the ability to capture the Canadian market might only be measured by the time it takes to raise more stock on their almost limitless ranges. Formerly a large part of the Australian beef surplus was going to the United States, but we find that the sales there have been declining, one of the reasons being that they are getting a foothold in this country since the United States tariff has been increased.

I shall not read the whole letter, but it goes on to point out that steers are marketed in Australia at about $17 per head, and they have no chance of competing against stock raised under such conditions.

During the debate with regard to the New Zealand treaty the objection seemed to be with regard to butter. Butter is too slippery for me to stand on, and I should like to ask this question: Why should we listen to the complaint of the butter makers and agree to revise the treaty with New Zealand, and at the same time refuse to listen to the case brought forward by these stock growers and sheep men? Why make fish of one and flesh of another? That is one thing I cannot understand, and I think I am consistent in saying that if this house signifies by a large vote its approval of a revision of the New Zealand treaty, I do not see why we should not do away with the treaty with Australia. There is a provision in this treaty giving either country the privilege of abrogating it on six months' notice, and that is all we are asking the government to do.

I believe in low tariffs, and I believe that the farmers of western Canada cannot carry on their business successfully under a high tariff. The duties which were imposed on butter and eggs before the Australian treaty came into effect amounted to the equivalent of probably 10 per cent, and I believe that the farmers of western Canada would be willing to have all these articles on the free list if the government would put furniture, paints and oils, pumps, harness, kitchenware and all the rest of these things on the same level. But does any member of this house believe that the government, in negotiating a trade treaty with New Zealand or Australia, would be willing to put these things on a reciprocal basis? For instance, would the government reduce the duty on furniture and harness and a number of similar articles to the same level as the duty on butter and eggs? As I have said, I always have been an advocate of low tariffs, and when I have urged any reduction in the tariff it has not been on any article which was listed at anything like 10 per cent. I think there are many things on which the duty should be reduced.

One hon. member has charged us with being under the dictation of our organization, the United Farmers of Alberta. I am no more under the dictation of the United Farmers of Alberta, Mr. Speaker, than he is under the dictation of the Liberal party, and in fact not nearly so much. I was nominated by the United Farmers of Alberta in my constituency; my campaign was financed by the United Farmers of Alberta in my constituency, and as a rule I report to them once a year, at their annual convention. They have never attempted to dictate to me in any way. The United Farmers of Alberta is a body of farmers who have organized together for mutual assistance, mutual help and I might say mutual protection. Their motto is "Equal rights to all", and in asking for the abrogation of this treaty I believe I am living up to that motto.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, we have had an extended discussion upon the motion to go into supply and the amendment thereto, involving the abrogation of the Australian trade treaty negotiated some few years ago by the late Minister of Finance. A few days ago we also had a discussion with respect to the New Zealand treaty, which arose out of the Australian treaty.

May I venture to say that very frequently there is a confusion of thought as between the Australian and the New Zealand treaties; it is a habit on the part of some members of the house to refer to the New Zealand treaty as though it were the Australian treaty. Such, of course, is not the case. The Australian treaty was negotiated; the New Zealand treaty was not. The Australian treaty represented at least some discussion on the part of the contracting parties; the New Zealand treaty came into effect by an order in council passed under the provisions of section 5 of the Australian treaty. In the one case there was a frank and clear discussion and negotiation; in the other case there was nothing but an order in council in the belief that it was advisable to apply the Australian treaty to New Zealand, regardless of what the consequences might be. These, I think, are facts abundantly established by the record.

Then there is another question arising out of the New Zealand treaty. It has been successfully contended in this house, I think, not only by those who sit to the left of Mr Speaker but also by those who spoke from the government benches, that the New Zealand treaty has threatened the very life of one of the basic industries of Canada; that if it were continued in its operation undoubtedly it would destroy the dairy industry of Canada, and that a period of at least three years must elapse before the dairy industry in this country can regain the position which it held before the treaty was made, and which it lost by reason of the treaty.

In the case of Australia there is this clear distinction: The government, acting in what the Australian trade authorities believe not to be good faith, imposed upon the imports of butter a dumping duty amounting to 6 cents per pound. The effect of that duty was to shut off importations from Australia, it amounts to prohibition. No such dumping duty was brought into operation against importations from New Zealand. As a result the dairy industry in this country which, in the judgment of those who can speak with authority, is one of or perhaps the most important of the farm industries apart from the growing of grain, has been seriously injured. This industry also relates closely to the production of meats, of hides and of pork products sold in various parts of the world, and it has been established that unless something is done immediately there is grave danger with respect not only to the butter industry of Canada but also to the hog industry and the related meat industries throughout the country. The loss of 130,000 milch cows, according to the figures given by those able to speak with authority, would mean at least half a million less pigs produced in the country as compared with the years previous to this diminution.

Under these circumstances I never have had the least difficulty in arriving at the conclusion that such a trade treaty as that existing with New Zealand should be abrogated and a new treaty negotiated, substituting negotiation and discussion for direct executive action, and affording an opportunity to this parliament to pass upon the merits of that particular treaty, an opportunity which was not afforded when the treaty now in existence came into being.

We also have this further difficulty. At the moment this country is faced with conditions which certainly are alarming to the thoughtful man. We have an adverse trade balance increasing steadly, and we have therefore a condition which is the negation of that to which the Minister of Finance referred when he was dealing with the Australian situation. How long can this country continue with an adverse visible trade balance? Our trade with Australia, however, has resulted in a great favourable trade balance annually, according to the statements made this afternoon by the minister. That he regards as being very desirable. I made a mental note to ask him why, if it is so desirable in the case of Australia, is it not injurious to continue to increase the enormous adverse trade balance with the United States of America? That trade balance is measured not by millions but by hundreds of millions of dollars, and it must be paid either by the invisible balances or by gold. Under those circumstances, if it is true, and apparently it is true from what the minister has said—I do not think anyone will quarrel with that observation that a favourable trade balance is to be desired, the condition in regard to Australia has been favourable to Canada due to the action taken by the government in connection with the dumping clause.

One thing which there is a tendency to forget is that trade is of two kinds, internal and external. The expansion of this internal trade of this country between the provinces is something which should engage the attention

of this government more fully than any other matter, but although that should be the case, we find that last year we bought from the United States nearly one billion dollars' worth of products for the purpose of supplying the internal trade of Canada. A portion of the goods imported was utilized for the manufacture of products which went into our external trade. But there again we meet with a difficulty. An hon. member the other day placed a question on the order paper asking the quantities of manufactured goods imported and sold. In order to understand the answer given he must have before him an explanation of how the classification is made. For instance, blister copper is classified as manufactured goods because it comes out of the smelter in blister form, which is exported not as a raw product, which it is so far as commerce is concerned, but as a manufactured product. I could name other commodities, such as lead, asbestos and pulp, all of which are partly fabricated or processed when they leave the country and which are classified for trade purposes as manufactured goods. It must be apparent to every thoughtful man that blister copper is of no use so far as manufacturing is concerned; it must be refined, and up until a few months ago all the refined copper which was used in Canada was imported from the United States. It is true that recently they have been doing something at Trail in the way of refining copper, but I mention that merely as an illustration of the difficulty in understanding trade statistics when the word "manufactured" is utilized in the sense in which it is in the trade returns of all countries. As the Minister of Trade and Commerce (Mr. Malcolm) very properly admitted last year, when you use the word "manufactured" with reference to various commodities which are partly fabricated or processed before they leave Canada, you have a considerable volume of goods, but for the purpose of trade those goods are not manufactured. Some of the goods classified as manufactured goods, are, so far as business is concerned, nothing more than unmanufactured goods or raw material. Last year the Minister of Trade and Commerce was good enough to indicate the list from which the classification was made, but it is a very difficult thing to make accurate comparisons when you come to deal with copper, for instance, as raw material exported from Canada, and then have to deal with refined copper as a manufactured commodity imported from the United States. It is very difficult for the Canadian people to arrive at a fair comparison.

At six o'clock the house took recess.

[Mr. Bennett.]

After Recess

The house resumed at eight o'clock.

Mr. BENNETT: Mr. Speaker, when the house rose at six o'clock I was directing attention to the failure of the government to deal with the problem of the internal trade of Canada on such a basis as would ensure the largest measure of employment to Canadians in the fabrication of our own raw materials which are exported so frequently under the name of manufactured materials. The internal trade of a country, even of a country of ten million people, is of transcendent importance, and the failure of the government to recognize that fact constitutes one of the strongest counts in the indictment against the administration. I again point out that last year to meet the internal trade of Canada we imported nearly $1,000,000,000 worth of goods from the United States. That meant for people outside of this country so much employment that might usefully have been brought here. While a portion of that $1,000,000,000 represented the purchase price of goods not produced in Canada, such as petroleum, oranges, lemons, and other tropical fruits, sugar and other commodities, there could have been expended in this country by the production of goods from our own materials to meet our requisites something between $300,000,000 and $500,000,000.

Mr. STEWART (Edmonton): Much nearer $300,000,000 than $500,000,000.

Mr. BENNETT: That depends on how you arrive at what might be done; but certainly $300,000,000 is the minimum value of the goods that might have been produced in this country but were imported from abroad. So much for the problem of internal trade, which, I point out, the government has apparently entirely overlooked. While we appoint trade commissioners abroad we neglect the trade at home. While we are content to dwell upon the great volume of our exports and of the imports that we draw from foreign countries, we overlook the fact that this adverse trade with the United States amounts to some $400,000,000 which must be counterbalanced either by invisible balances or payments in gold which arise from favourable balances such as those we had last year with Australia and New Zealand.

Let us come to the problem of external trade. To put the matter briefly, the external trade of Canada may be divided into two classes, namely, the trade which arises from the sale of our natural products partly fabricated or wholly unfabricated—that is in

the raw state—and to a small extent what is described as the fabricated or manufactured products of the country. As regards the first branch of our external trade, I can illustrate it by the exports of asbestos, pig lead, silver, blister copper, pulpwood, logs and various other raw materials such as gypsum from Nova Scotia. I direct the attention of the hon. member for Hants-Kings (Mr. Ilsley) to that. Then if you turn to what might be called the partly fabricated articles, there might be included in that class some of those that I have just mentioned, such as blister copper, partly refined nickel, and other minerals and metals that hon. members present will have in mind. The wholly manufactured goods consist largely of commodities such as newsprint which, outside of grain and grain products, constitutes the largest single item in our exports. Grain products constitute the largest body of our exports. That in itself is again subdivided into manufactured products such as flour and other cereal products and the raw wheat, rye, barley and other grains. It is within the memory of hon. members that the combined value of the exports of grain and grain products and of wood and wood products amounts to between $700,000,000 and $800,000,000 of the $1,200,000,000 constituting our exports, or, as a matter of fact, a little more in a good year. If you add to that the partly fabricated metal and mineral products you have in those items substantially over $1,000,000,000 of the entire exports of the country. Those items, as I have said, are either wholly raw or partly manufactured or wholly manufactured. To absorb those goods in their raw state various countries find no difficulty. The United States of America is almost entirely dependent upon Canada for some forms of raw materials. There are in every part of the world countries engaged in the business of manufacturing that are importing large quantities of our partly manufactured or processed materials. For instance, asbestos and nickel go across the ocean in large quantities. Many of our minerals find a market in Japan or Germany where they are fabricated into goods that come back to this country and are sold in competition with our own goods, and are manufactured under labour and other conditions with which we cannot compete.

But at the moment I am not dealing with that phase of the matter; I am dealing only with the division of our external trade into the classes to which I have alluded, and I am pointing out that with respect to our raw material practically every country in the world, our great neighbour to the south in particular, is drawing from us. Then we come to our partly fabricated materials and we find the United States drawing from us pulp, which after all is only partly fabricated. As regards fabricated materials we find them drawing from us almost our entire export of newsprint—I shall speak presently of that—and other goods of that class.

How are we able to carry on this external trade? The United States have trade commissioners in every part of the globe. They have their consular agents here and their business is to see what they can do to create markets for their products. This summer I was in a small community in Canada half way between the east and the west and I found there that the consular agent had been busy soliciting business in the broad sense in connection with a contract that had been recently awarded for the construction of a new hospital. Wherever goods are required, whether door locks at the Chateau Laurier or hardware of any kind in which trade may be afforded to the producers of their own country, you will find the consular agents of the United States seeking that market for their people. We have through the vision of Sir George Foster, established trade commissioners in different parts of the world. They have endeavoured to the best of their ability to do the same sort of business for Canada as American consular agents have done for the United States. We have extended our trade to a great many countries. It has been developed very greatly during the last few years, but that trade has not been in the materials that will make business for Canada. It has been in those partly manufactured goods and those raw materials which go to the countries to which I have referred.

Let me go further. The United States foreign trade to-day consists of less than 10 per cent of their whole trade, actually about 8 per cent. As the hon. member for South Wellington (Mr. Guthrie) related the other day, in a classic discussion between Mr. Blain and Mr. Gladstone, Mr. Blain pointed out that the policy of the United States was the policy which this country should adopt; that the internal trade of the United States belonged to the American people and after they had secured a monopoly against any possible competitors in their own market, they would go to the outside world with their external trade, and destroy competition with the surplus products of their factories. What has happened in this country? By reason of the fiscal policies that we have adopted we have been ever seeking more and more external markets, while the internal trade of our country has been sacrificed to the United States

of America. Do you mean to tell me that any country with a population and rich resources such as Canada has should be buying one billion dollars' worth of goods a year from the United States? Do you mean to tell me that that sort of thing would be at all possible if this country were doing its duty to its own citizens? The hon. gentleman referred this afternoon to what had been done by other countries and pointed out the favourable balance of exports over imports. I might point out to him and to this house that the real truth is that the favourable balance of trade of the United States, amounting as it does, in some years, to billions of dollars, has laid the foundation for their vast accretion of material resources that has enabled them to expand their foreign trade to every part of the world and to meet competition on terms that have driven many of the former competitors out of those markets.

Mr. YOUNG (Weyburn): What do they take in exchange for all these goods?

Mr. BENNETT: Gold. I wonder if the hon. gentleman knows that the adverse balance of trade of other countries with the United States is compensated for in gold, and that to-day the United States is the largest depository of gold in the world, which furnishes the basis of a national credit unequalled in the history of finance.

Mr. STEWART (Edmonton): My hon. friend does not contend that this all came from their foreign trade?

Mr. BENNETT: Does the Minister of the Interior (Mr. Stewart) not know that the major part of it came from foreign trade during the great war, from exports paid for in gold, which meant a surplus of exports over imports?

Mr. STEWART (Edmonton): Exactly. I agree with my hon. friend now.

Mr. YOUNG (Weyburn): What effect did all this gold coming into the United States have on prices and on the cost of living in the United States?

Mr. BENNETT: As the hon. gentleman has raised the question of the cost of living, let me tell him that the cost of living in Canada to-day has reached the figure of 160 as compared with 100 for pre-war prices, and the cost of living to-day in Canada is higher than in the United States. That is the fact. What is more, from January, 1922, when this government assumed office, the figures supplied by the Labour department last month show that the lowest figure was 155, 100 being the basis, and the figure is now 160, whereas in the United States there has been a greater diminution in the cost of living in those years than in Canada. Further, there has been a higher standard of living in the United States than in any other country in the world. There are no 25-cent an hour men working for the United States of America. What is more, the production of wealth in the United States is higher than in any other country in the world of which we have any record.

Mr. YOUNG (Weyburn): Do you mean the per capita production?

Mr. BENNETT: Not the per capita production of new wealth, but the largest production in percentages. The hon. gentleman knows that. If it is desired, and the Minister of Finance (Mr. Dunning) seems to think it is, to have a favourable trade balance, which has been the basis of the accumulation of the national wealth of the United States, a very large volume of the gold which furnishes the basis of unlimited credit has arisen because of the surplus of exports over imports. I wonder if hon. gentlemen saw the figures of last year's trade balance. I wonder if the Minister of Finance realizes, as some business men on that side of the house must, that this Dominion last year took nearly one billion dollars of the export trade of the United States; for what was to us imports was to them exports. While we were creating an unfavourable trade balance for Canada, they were creating the greatest favourable trade balance of any country in the world. These are the facts; we must look them in the face. The day of theories, of platitudinous reference to dictionaries and old historic volumes on free trade are a thing of the past. We are living in the realm of realities; we have to deal with actualities. When I read the observations of the Minister of Railways and Canals (Mr. Crerar), I realize that it will not be the great apostasy of which the hon. member for Lisgar (Mr. Brown) has spoken so learnedly that requires discussion; it will be something worse than that. I agree with the hon. member for Macleod (Mr. Coote); I am not concerned in the argument between these two rival factions as to which side of the house they should sit on. It is quite within the competence of the hon. member for Lisgar and his friends to associate themselves with the government of the day and thereby abandon their former friends, if they wish to do it. That is only a matter for history; it is not a matter in which we have any deep concern. We leave it at that. But it is not

the same kind of thing when we come to deal with a minister of the crown; of whom more anon.

I would point out to the hon. member for Weyburn that we are no longer living in a day when we can discuss this matter in an academic sense. We are confronted with a condition in which our external trade, thanks to hon. gentlemen opposite, has been menaced and destroyed by the invasion and penetration of our market by our great neighbours to the south, who have taken it from us to the extent of nearly one billion dollars a year, and thus compelled Canadians to seek abroad in external fields a market for their products. Those markets can be made possible only by tremendous effort, in which the nation itself has assisted. We have assisted by subsidizing steamship lines, by subsidizing lines of communication other than steamship routes, by reducing the postal rates, by sending our trade commissioners to every part of the world to develop and expand our trade. All these things we have done. Why? Because we have been compelled to do it through the neglect of our own government to care for our own trade. That is the reason. If a storekeeper in a village permits trade to go to a rival from outside the community, and has to go to other communities far removed to find a market, I wonder if there is any man who would not say that that storekeeper had neglected his own home market, his own community. It is the internal trade of the country which has made the United States what it is. By securing a monopoly of its own domestic business, and exporting the surplus of the mass production of its mills and factories, it has been able to destroy the export trade that other countries enjoyed before the war. These are post war conditions. Once more I say Canada is dealing with actualities.

Let me point out that the other method by which we expand trade is by negotiating trade treaties. Perhaps the most classic example of a trade treaty—I thought of it this afternoon as the Minister of Finance was speaking—is the trade treaty negotiated between France and Great Britain in the days of Cobden. You will all recall his attachment to free trade, and the conditions that existed in France with its highly protective tariff in the days of the Second Empire. You will all recall that Mr. Cobden, in consequence of a chance conversation that he had with a well known free trade economist of France, Mr. Chevalier, made up his mind to see if a trade treaty could not be made between France and Great Britain, because France at that time was a highly protectionist country while Britain under Peel had become more or less attached to free trade. I have here the life of Cobden by John Morley, and I read these words at page 239 of the second volume:

> In the early part of September, Cobden paid a visit to Hawarden, and there he opened his mind to Mr. Gladstone. They were both of them thoroughly alive to the objections to which on strictly economic grounds treaties of commerce must always be open.

Now, I should like that sentence to be engraven on the memories of some of my friends opposite:

> They were both of them thoroughly alive to the objections to which on strictly economic grounds treaties of commerce must always be open.

I heard some of them from my friends this afternoon, some of the grounds that were in the minds of Cobden and Gladstone at that time. Now, let me proceed with this quotation:

> They both felt it to be perfectly true, if economic rules were never under any circumstances to be contravened, that, as Mr. Bright had already said, it was our business to look to our own tariffs, and to release French products from the duties that prevented our trading with France; and this without any stipulation as to what France should do in return. But then they felt that the occasion was one which could not be judged in this simple way. An economic principle by itself, as all sensible men have now learnt, can never be decisive of anything in the mixed and complex sphere of practice.

Now, sir, could any words more aptly describe the situation which in 1930 prevailed between Australia and Canada and that which prevailed between France and England in 1859?

> But then they felt that the occasion was one which could not be judged in this simple way. An economic principle by itself, as all sensible men have now learnt, can never be decisive of anything in the mixed and complex sphere of practice. Neither Cobden nor Mr. Gladstone could resist the force of M. Chevalier's emphatic assurance, that in no other way could the French tariff be altered in the direction of free trade than through a diplomatic act, that is to say, a commercial treaty with England. The emperor, moreover, in spite of his absolutist system, was practically powerless to reduce his duties, unless the English government gave him the help of a corresponding movement on their side.
>
> Mr. Gladstone discerned both the opportunity which such a movement would afford for continuing the great work of tariff reform, and the strong influence that a commercial treaty would have upon the violent and dangerous perturbations in the political sentiment of the two nations towards one another.

After a few more lines, he proceeds:

> He was, in fact, continuing the work which Sir Robert Peel had begun in 1842, along the

very lines which Peel had then expressly laid down. In the case of wine and brandy, Sir Robert Peel had said that he did not reduce the duty, because he hoped that they might employ these duties—

I commend these words to my hon. friends on the government side, words quoted from Sir Robert Peel:

—"as instruments of negotiation, with a view of effecting a reduction in the duties imposed by other countries on the produce of our own country."

I wonder if hon. gentlemen realize the true significance of those words. Let me repeat them:

—"as instruments of negotiation, with a view of affecting a reduction in the duties imposed by other countries on the produce of our own country."

Again quoting from Sir Robert Peel:

"I am disposed, to carry too far that principle of withholding from ourselves the benefits of reduction of duties in order to force other nations to act in a reciprocal manner, and in many cases we weakened the effect of instruments we held in our own hands by reducing the duty of articles relative to which negotiations might have been entered into. Our general rule was that in cases where the articles were elements of manufacture, or where there was risk from smuggling, we took to ourselves the advantage likely to arise from a reduction of duty on these articles; but in others, wine for example, we made no reduction of duty, and intend to make no reduction of duty, in the hope that we shall induce other countries to give to us an equivalent advantage." The discussion therefore between Mr. Gladstone and Cobden at Hawarden in 1859 turned upon the means of realizing the hope then expressed by Sir Robert Peel in 1843, and expressed by him not casually, but as an element in a deliberate policy.

Now, sir, that principle laid down by Sir Robert Peel in 1843, and once more asserted by Gladstone in his conversation with Cobden in 1859, made possible in the end a commercial treaty between France and Great Britain. It laid the foundation of the great fame and reputation of Cobden, and it also did much to improve relations between the two countries. The principle laid down by Peel I commend to my hon. friend from Rosetown (Mr. Evans) in particular, and I commend it to every other hon. member: that the reduction of duties in themselves may imperil the very negotiation that has to be carried on for the purpose of making decent commercial treaties with the countries with whom you would deal. That principle apparently was in the mind of the late Minister of Finance (Mr. Robb), because when he endeavoured first of all to negotiate a treaty—after negotiations had been initiated by my hon. friend from Vancouver Centre (Mr. Stevens) in the short time that he was at the department—he did so on the theory that having as he had an opportunity to increase the general tariff to have something to bargain with, he reduced the items which were to be the subject matter of negotiation so he would be able to make a reasonable agreement. But hon. gentlemen would not permit that to be done. It was not done, with the result that this treaty was negotiated between Australia and Canada, and I say frankly to the house that had I been a member at that time I should have voted against the treaty. That treaty disregarded certain fundamental principles that should obtain in the negotiation of treaties between countries. One of them was referred to by my hon. friend from Vacouver North (Mr. McRae) yesterday. It is this: no treaty made between this country and any other country in the world, whether it be the motherland, a sister dominion, or a British colony, is ever upon a sound basis if its effect is to destroy a basic industry of this country. That is fundamental. The effect of the treaty made without negotiation, by order in council, was, as I pointed out this afternoon, to destroy one of our basic industries. This so-called Australian treaty negotiated by the late Minister of Finance was a treaty which but for the bad faith shown by the Canadian government in putting a dumping duty upon Australian butter, would have wrecked entirely the industry that has been so seriously threatened by the treaties that have been made. There is no gainsaying that. It is obvious to every man and is known to all.

Let us see what happened. When that treaty was negotiated and brought down to this house for acceptance, the Right Hon. Arthur Meighen pointed out exactly what would happen, the member for Welland (Mr. Pettit) also pointed out exactly what would happen, and it has happened exactly as they said. But the hon. Minister of Agriculture (Mr. Motherwell) put the dumping clause in operation against Australian butter, although the Paterson agreement was in force at the very time that the treaty was negotiated. That Paterson agreement was not something new, it did not suddenly spring into being, but it afforded the government in the view of the Australians an excuse, not a reason, to do something which they say, and I think properly so, is not in good faith between two countries making treaties one with the other. That is only five short years ago. Let me recall what has happened since. In the meantime we have established a channel of trade for some of our products in Australia, and they have established a trade for some of their products here. I was rather

amused—shall I say?—than surprised by the observations made by the hon. member for Hants-Kings (Mr. Ilsley) yesterday in connection with the extensive business in nails and wire that Canada is doing with Australia. He told us all about the Sydney nail works. Well, how many nails do you think we sold to Australia last year from Nova Scotia?—$8,000 worth! Those are the figures given by the department—$17,971 in all, of which $8,000 worth went from there; and of wire, out of the total, $40,000 worth went from Nova Scotia. So that the great Besco plant in Nova Scotia was able to sell to Australia, under this treaty, $48,000 worth of goods, including the nail that was found in the box.

Leaving that for the moment may I point out that when the treaty came into this house the hon. gentleman who at present holds the portfolio of Minister of Railways and Canals voted for it, and his colleagues to my left voted against it. It was one more instance in which for some reason undisclosed on the record they and he viewed it somewhat differently. Whether or not he with his keen vision and prophetic sight could look into the future and see himself occupying the office of Minister of Railways we do not know; at any rate, he managed on that occasion to vote for the treaty.

Now, when the treaty came into this house, what happened? From the discussion that took place the house realized that if it were carried out in the terms indicated it would not be beneficial to this Dominion. Although I was not in the house at the time, I want to say clearly that I cannot see how I could have supported that treaty. What is more, the late Minister of Finance realized the possible injuries to Canada in connection with it. It is a well known fact that he said not a pound of butter—or an insignificant amount—would come in under that treaty. So certain was the Prime Minister of it that when he spoke in Woodstock a few months after, pointing out the benefits of the treaty, he told the people there that if by any possible chance it could be shown that the treaty would be injurious to the interests of Canada the government would take steps to annul or cancel or abrogate it. Yet a week later, without negotiation, the government passed an order in council which, by executive action, made that treaty applicable entirely to New Zealand. We have all seen the result.

What is the present condition? We have an entirely different situation from what we had then. To-day in Canada we have an adverse trade balance of over $100,000,000 per annum. Has anybody looked without some alarm at the trade figures of this country for January and February? Has any thoughtful man who knows business at all studied them without realizing that if employment is to be given to the Canadian artisan every Canadian must do his utmost to sell goods wherever he can get a chance to sell them? It is because of that very fact that we who sit to the left, ever mindful of our obligation, have from that day to this, as you will find upon the records of the house, suggested to the government not the annulment or abrogation of the treaty at a time like this, but that the treaty should be amended to the mutual advantage of both countries. I make a clear distinction between Australia and New Zealand in that regard. We cannot afford to risk for a single moment the destruction of a great basic industry, the dairy industry in this country, confronted as we are with unemployment, with our industrial fabric threatened, and the markets of France, Italy and Germany shut out from the Canadian wheat farmer by hostile tariffs that have reached a maximum of 80 cents a bushel. I say to my friends to my left that they might better withdraw this resolution than have it before parliament at this time, the economic conditions in Canada being what they are.

Take the paper industry. Over-production, which is not the fault of this government, has compelled Canadians to accept a price for their paper in the markets of the United States and other parts of the world that according to modern economists is below its real cost and value. I wonder if hon. members know that newsprint shipped from this country to Australia and New Zealand netted the producer less than $42 a ton? And do they realize what that means? In order that the machines might be operated at capacity newsprint, the surplus product of those machines, has been sold abroad during the last twelve months at a price that has not met the cost of production. That surplus product had to find a market. If these conditions continue, can we afford to abrogate the treaty ? Having regard to present economic conditions in Canada; having regard to the almost superhuman effort that industrialists and others are making to provide employment for artisans, can we afford to abrogate that treaty? For my part, though I would have voted against the treaty had I been in the house at the time, realizing the conditions prevailing in this country to-day I am not prepared to vote for its abrogation—my hon. friend (Mr. Stewart, Edmonton) is concerned only about laughing

over the evils that come to this country. It is an old story; the hon. gentleman's efforts are restricted to smiling at injuries which have been done to the people of Canada.

Mr. STEWART (Edmonton): I very seldom interrupt a speaker, but I wish to correct my hon. friend. I am not laughing at the ills that befall the people of this country; I am laughing at my hon. friend.

Mr. BENNETT: That is what I would think my hon. friend would do, because his appreciation of the treaty is usually indicated by laughter; that is his usual practice. It is the old story: Nero fiddled while Rome burned. The hon. member contents himself with that and pays no attention to words of warning. But the warnings were given in this house five years ago; they were given when the treaty was entered into, and the very conditions have arisen which were then forecast by those who sat to the left of the Speaker. Those are the facts; sophistry or casuistry will not change the record of history. It is there; it is embalmed in Hansard. I ask the Minister of the Interior, the Minister of Railways and Canals or any other member of the administration: Can you afford at this moment to abrogate the treaty? The Minister of Finance is not in his place, but I ask: What has Australia been saying during the last three years? What has Australia said in the last six months? Who will answer that question for the government? Australia has said: We will not tolerate any longer the adverse balance of trade against us in the form in which it now exists. We want improved treaties and improved conditions; we want a nearer approach to equilibrium as between the two countries than we have now. It is not we who have demanded that; they have demanded it. I ask the Minister of Finance, or someone on behalf of the government, to say whether or not the attitude my hon. friends take to-night is taken because they desire the people of Australia to say that the Canadian people are heartily behind the treaty which the Australian people say they will no longer tolerate. That is the question. We will not be deluded with any sophistry such as that which the Minister of Finance indulges in, when he suggests we should take this action. Some of us know what the Australian government is doing; we know what it has done. We know from the utterances of their public men and by communications from our own trade commissioners that these people are not acquiescent in the present conditions. How, then, are they to be remedied? They are to be remedied only by fresh negotiations, and when the government to-night asks this house to vote against the abrogation of the treaty, speaking for myself and for my friends here, owing to the conditions confronting this country at present I am not prepared to vote for the abrogation of the treaty. But we say to the government that by our vote we are not prepared to mark our approval of the treaty beyond the opportunity that may come during the next few months for the government to see what can be done; because if we do not move our great neighbours have intimated that they propose to take steps in the matter. The government of Australia has said that it will not longer tolerate this condition, and I believe what it has said it means. When this action was taken by my hon. friends to my left I thought, as I think now, that it was not the opportune moment. As I say, I am prepared to vote against the abrogation of the treaty at the moment, with this warning to the government: Unless conditions change between now and this time next year, when they will not be here and others will be responsible for the conduct of the government of this country, my position will be different. In the very nature of things, the treaty must be revised, because it cannot continue. The people of Australia have intimated that they will not permit it to continue, and the people of this country know that there are paragraphs in it which operate entirely against the economic well being of Canada.

These are my reasons for the position I have taken. I have occupied some little time in developing my views in this respect, because trade is something, after all, that every business man knows something about in practice, if not in theory. The hon. gentleman who is Minister of Railways and Canals occupied a very important business position during the time he was out of this house; he can tell you some of the hardships that are encountered in the conduct of business. Business in these days is not the simple thing that some imagine it to be; in one respect it is a very great science, and in another respect it is indeed simple. It is all nonsense talking about exports paying for imports; that theory was exploded in practice long ago. Every man who has studied the history and operation of business knows that. Why should any one come here with theories from text books fifty or sixty years old and try to make other people believe that the science of political economy does not progress, that it endures but does not change? We all know in practice that what has made the United States the country it is to-day in material resources alone—

Mr. YOUNG (Weyburn): And in unemployment.

Mr. McINTOSH: They have 6,000,000 unemployed.

Mr. BENNETT: So the figure is increasing now.

Mr. VALLANCE: How old was the book from which you quoted?

Mr. BENNETT: Has the hon. gentleman had a brain wave? What with interruptions from three sources at once, we have the figures of unemployment in the United States at 6,000,000, 4,000,000 and 3,000,000. Well, it is not for me to say how large the figure may be, but this I will say: The history of unemployment in the United States was that of an inevitable condition. Any thoughtful observer of trends in connection with trade realized the inevitability of the present result. If you substitute machines for men to the extent to which that has been done during the last five years—

Mr. VALLANCE: We have not been doing that.

Mr. BENNETT: I know the hon. gentleman has not, because the only machine of which he had any knowledge was broken during the last election in Saskatchewan. In his case it is not from lack of willingness to try but rather from lack of opportunity. However, let us proceed a step further with the point I was developing.

Mr. VALLANCE: Would the hon. gentleman mind telling us who broke that machine?

Mr. BENNETT: I would say, the common sense and the outraged conscience of a free people. At any rate, the fact is that there is unemployment in the United States. But I wonder if hon. gentlemen ever thought of unemployment in a great country whose natural resources have been established by favourable balances of trade reaching into billions of dollars and extended over a period of a quarter of a century, as compared with a young, undeveloped territory with a population of 10,000,000 people and an adverse trade balance amounting to over $100,000,000 in a year. I wonder if the hon. gentleman realizes the implications of that statement. My hon. friend from North Battleford must realize them, as every thoughtful man does; as I do, with all the sense of responsibility I have. I am sorry my hon. friend from Hants-Kings (Mr. Ilsley) seemed to think that one who by toil accumulated a little wealth and then, because he was called upon to accept a place of trust and responsibility, abandoned occupations from which he was formerly able to derive a large income, is thinking of himself all the time. That is not so. I wonder whether the hon. gentleman, if he had had the same opportunities that I had, would have abandoned those occupations. Let him answer that before he goes out of this house to attack me with respect to my attitude towards business. I would just remind him of that. It is all very well to exalt the necessity of men giving themselves to public life, but when a young member of this house goes out upon the public platform and denounces men who, by their own efforts, have accumulated a little money and then have abandoned their former occupations, which were very profitable indeed, in an endeavour to render some little service to Canada, he is not giving the best that is in him.

Mr. ILSLEY: Do you say that is what I did?

Mr. BENNETT: That is what the Globe reports my hon. friend as having done at St. Catharines.

Mr. ILSLEY: I denounced nobody.

Mr. BENNETT: My hon. friend quibbles over the use of a word. He did not denounce; he only disapproved and he ridiculed the idea that the man of wealth was able to do anything for his country. That is what he did, he intimated that the men who had accomplished something in this world were incapable of serving the state.

Mr. ILSLEY: Mr. Speaker, I rise to a question of privilege, and I desire to state what I said. I said that gentlemen of great wealth had a distinctive and peculiar outlook upon problems, which was not that of the great mass of the people. That is all.

Mr. BENNETT: That is not what the hon. gentleman is reported as having said. He named the front benches on this side of the house and said they were filled with millionaires, and he mentioned the attitude they would have towards the problems of the people. Well, it was not so long ago that I was very poor, and I am not ashamed to say it. Neither am I ashamed to say that in my day I have made a great deal of money, but no man can say that a dollar of it has been made dishonestly. It is time that sort of thing should be stopped.

Mr. ILSLEY: Who said it was?

Mr. BENNETT: The hon. gentleman was reflecting upon a man who had accumulated a million dollars as being unfit to serve the state.

Mr. ILSLEY: My hon. friend is entirely misrepresenting me. He does not accept my correction.

Mr. BENNETT: The Toronto Globe reports the speech of the hon. gentleman at St. Catharines, and I take it as being an accurate report. Now sir—

Mr. CAHILL: Withdraw the statement.

Mr. BENNETT: Withdraw what? I am quoting from the Toronto Globe, and my hon. friend says it is an inaccurate statement of what he said.

Mr. McMILLAN: The hon gentleman is forced to accept the statement of an hon. member.

Mr. BENNETT: The hon. member says the report in the newspaper is inaccurate, that is all. I have referred to the report which appeared in the paper. Let my hon. friend quarrel with the paper and not with me; let him write his letter of retraction to the paper; let him set himself right. I expect to be in St. Catharines to-morrow and then I will find out what he did say, from people who heard him.

Mr. ILSLEY: Let me make the statement—

Mr. BENNETT: I am not going to have any statement made during the course of my remarks. The hon. gentleman has spoken.

Mr. ILSLEY: On a question of privilege.

Mr. BENNETT: I have permitted the hon gentleman to ask a question.

Mr. SPEAKER: No interruption without the consent of the hon. member speaking, is permissible unless it is on a question of privilege.

Mr. ILSLEY: It is a question of privilege.

Mr. BENNETT: The hon. gentleman can make a speech later. There can be no question of privilege in the middle of my remarks.

Mr. SPEAKER: There can be no interruption during the course of an address without the consent of the speaker, unless it is on a question of privilege. The hon. gentleman may speak on a question of privilege.

[Mr. Ilsley.]

Mr. BENNETT: There can be no question of privilege in the middle of my speech. If the hon. gentleman wishes to ask a question I am quite willing that he should do so.

Mr. ILSLEY: I think I have the floor.

Mr. BENNETT: There can be no question of privilege in the middle of my speech.

Mr. SPEAKER: The hon. gentleman must state his question of privilege.

Mr. BENNETT: But he does not state it in the middle of my speech; he raises the point after I have sat down.

Mr. SPEAKER: If he thinks it arises from a statement made by the hon. gentleman surely he is entitled to state his question of privilege.

Mr. BENNETT: But not to interrupt my remarks. Surely, Mr. Speaker, there are certain rules of order which govern debates in this house. I said that if the hon. gentleman desired to ask a question he might do so. He did ask his question and I have answered it.

Mr. ILSLEY: I have been attacked for what I said in St. Catharines, I presume. I am going to state what I said in St. Catharines; it is very simple. My hon. friend has stated that I attacked men of great wealth, and he has said that I intimated that he did not make his money honestly.

Mr. BENNETT: I did not say that.

Mr. ILSLEY: It is a fair inference from what my hon. friend said.

Mr. BENNETT: I did not say that and I submit, Mr. Speaker, that this is not a question of privilege.

Mr. ILSLEY: The hon. gentleman spent several moments trying to establish that he made his money honestly.

Some hon. MEMBERS: Withdraw.

Mr. ILSLEY: I did not accuse the hon. member of not making his money honestly.

Mr. SPEAKER: Order, please.

Mr. ILSLEY: I made no reference to the hon. gentleman personally.

Mr. SPEAKER: Order.

Mr. BENNETT: I did not say that the hon. gentleman had said I made money dishonestly, nor did I intimate it. He attacked members on the front bench.

Mr. SPEAKER: I would ask the hon. member for Hants-Kings (Mr. Ilsley) to take his seat.

Mr. BENNETT: Mr. Speaker, I was observing when I was interrupted that business was a rather complex matter in these days, and I was trying to point out what was involved in the exports and imports of a country. I have endeavoured as best I could to point out what this government has done with relation to these matters, and I repeat that with the economic situation now existing in Canada, we dare not in any sense lessen the markets which may be available for the products of this country without facing the responsibility of putting Canadians out of work. That is what it means.

The observations made by hon. gentlemen opposite this afternoon that the business was largely from British Columbia is not borne out by the facts. Sixty per cent of the newsprint which entered Australia and New Zealand came from eastern Canada, not from the west coast.

Mr. BRADETTE: What about it?

Mr. BENNETT: Because of the speeches made by British Columbia members it has been asserted in the house this afternoon that this was purely a British Columbia matter.

Mr. BRADETTE: Is the hon. member sorry that that business came from other parts of Canada?

Mr. BENNETT: Could anything be worse than that—an hon. gentleman rising in his place and asking me if I am sorry that this business came from eastern Canada and not from the west? It is the old story of the east against the west; they cannot conceive of a man living in western Canada having any but a prejudicial feeling against the east. I wonder if the hon. gentleman realizes that most of us were born in eastern Canada and went to western Canada to live, and that we believe in one Canada, not nine Canadas or a divided Canada. That bears out the observations of the hon. Minister of Railways when he said that we must not permit benefits to accrue to the east at the expense of the west. He was reported as saying that the other day at Brandon when he accepted office.

Mr. CRERAR: I think my hon. friend is quite mistaken.

Mr. BENNETT: The press may have reported it wrongly. It is not a question of east or west, it is a question of Canada as a whole. When the Australian treaty was made it was made for the whole of Canada, not the west alone, and when there was an effort this afternoon, as there has been on other occasions, to make the house believe that this is a purely western business, the fact is that sixty per cent of the newsprint imported into Australia came from eastern and not western Canada. It is true the fish products came largely from the west, but other articles came from Cape Breton; there was steel from the British Empire Steel Corporation. As far as I know there are no steel plants in western Canada. The products mentioned the other day by the hon. member for Hants-Kings were products produced in the east and not in the west.

Mr. BANCROFT: I hope my hon. friend has not forgotten that there is a large steel plant at Selkirk.

Mr. BENNETT: I do not think that plant carries on a very large export business with Australia; as I understand it, it is engaged largely in the melting of scrap.

In view of the circumstances to which I have alluded, this house will be well advised—I wish my hon. friend to the left had withdrawn his resolution after it had been discussed—to realize that the time is not ripe for the abrogation of this treaty. In saying that, I want the government to understand clearly that I for my own part, and for those who are associated with me, reserve the right to insist on the abrogation of that treaty should conditions arise to warrant that step being taken. If Canadian industry is placed in the future upon a solid basis, under an intelligent and a sane fiscal policy which will restore prosperity to Canada, that treaty, along with others, must be subject to revision. The Australians already have intimated that that is their intention, and we on our part cannot be solely in control of the negotiations.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, I thought we were supposed to be discussing the Australian treaty, but after listening for an hour and a quarter to the remarks of the hon. leader of the opposition (Mr. Bennett), I begin to wonder whether we are discussing the Australian treaty or the general economic situation.

Mr. BENNETT: The one arises out of the other.

Mr. STEWART (Edmonton): I do not propose to spend very much time in discussing the general economic situation, but I would like to refer to a few matters which we have heard mentioned so frequently from across the

floor of the house. There never has been an attempt on the part of this government to negotiate a treaty, there never has been an attempt on the part of this government to deal with the tariff, but that we have been told by the opposition that we were going to ruin Canada. It has been only within the last two or three years that they have ceased crying blue ruin. I challenge any hon. member opposite to deny that assertion having been made by Right Hon. Arthur Meighen and by my hon. friend who is now leading the Conservative party.

Mr. BENNETT: I deny absolutely that I have ever preached blue ruin in this country; there is the answer.

Mr. STEWART (Edmonton): I will accept cheerfully my hon. friend's denial, but it is about on a par with his statement to-night—at which I smiled—that had he been in the house at the time he would have voted against the Australian treaty, but that he was not prepared to-night to do so.

Mr. BENNETT: Quite so.

Mr. STEWART (Edmonton): We hear a great deal about the condition in which Canada finds herself, but we have not heard a word during this present debate about the wonderful prosperity of the United States. That country has increased its tariff in order to protect its farmers and its industry, but not a word has been uttered upon this occasion as to the prosperity of that country. What has happened? There is more unemployment to-day in the United States than there is in Canada.

An hon. MEMBER: Not at all.

Mr. STEWART (Edmonton): Oh yes, my hon. friends have admitted it. We have heard much in the past about the prosperity of the United States, brought about by an increase in their tariff, and that was offered as an example to the Canadian government as to what should be done in the interests of the Canadian people. That country has increased its tariff, and in view of that action it was pointed out how much had been gained by our mighty neighbour across the line. But what about this present debate? We have not heard a thing about the United States. As a matter of fact, Mr. Speaker, the prosperity of Canada during the period this government has been in office has never been excelled in any period in her history. I make that assertion without fear of contradiction.

An hon. MEMBER: The hon. minister should go down to the maritime provinces.

[Mr. C. A. Stewart.]

Mr. STEWART (Edmonton): I read the press of the maritime provinces, and what does it say? That the maritime provinces now are enjoying unprecedented prosperity. I know my hon. friend will not say that.

An hon. MEMBER: I know the conditions prevailing there.

Mr. STEWART (Edmonton): My hon. friend has said that the implementing of the Duncan report has performed a wonderful service for the maritime provinces.

Mr. HANSON: But that report has not been fully implemented.

Mr. STEWART (Edmonton): There is one thing yet to be done, and when that is done my hon. friend will admit that the maritimes have never received from any government the treatment which they have received from this government. In reply to my hon. friend's assertion that conditions in Canada have not been prosperous; that the splendid situation in the United States has been built up through all the generations during which they have enjoyed protective tariffs—that is his argument—and that our internal trade is suffering because we do not build up protective tariffs, I am not going into details; I simply leave the question to the good judgment of the house. We are at the present time suffering a depression in common with every other country but not to the same extent that it has hit the other countries with whom we are doing business.

My hon. friend spent about twenty minutes in discussing the advisability of being very careful in regard to treaties. He will not deny that if a treaty is to be brought about, there must be concessions on both sides. Both countries expect to get something out of a treaty, otherwise it would not be negotiated by either. I do not think that can be contradicted. We would not make treaties except for the purpose of mutual benefits, and naturally each country is extremely anxious to receive the outmost advantage out of any treaty made with the other. I know full well my hon. friend will argue that there would not have been much wrong with the Australian treaty if we had raised the general tariff. How would the raising of the general tariff affect the situation at this time of which my hon. friend is complaining? What is the complaint? It is that as regards natural products such as butter, beef, wool, mutton we are allowing the importation of those commodities to the detriment of the agricultural community. I ask him the question: had we accepted his suggestion and had we raised the

general tariff, or if you please, left it at what it was before the treaty was negotiated, to what extent would it have stopped the importation of butter into Canada at this time? May I tell him?

Mr. BENNETT: I will tell my hon. friend. Imposing the dumping duty answers that.

Mr. STEWART (Edmonton): The dumping duty, my hon. friend says, has stopped the importation of Australian butter.

Mr. BENNETT: Yes.

Mr. STEWART (Edmonton): But it did not stop the importation of Australian mutton or beef. It has not stopped the importation of New Zealand butter, but the conditions that exist in Canada to-day have so far been more favourable than in any other country purchasing those commodities. I do not think anyone will deny that. I think it is a perfectly proper statement that the prices of butter, beef and mutton in Canada are very much higher than in other countries. We were competitors in all those commodities in the British market. We were exporters of butter. To-day we are out of the export butter business.

Mr. MACDONALD (Richmond): Why?

Mr. STEWART (Edmonton): Because we are shipping cream and milk to the United States. As soon as we reach the point where we can satisfy our home consumption, we shall be exporting again. That is the reason we are not exporting butter. We are exporting cheese, as my hon. friends will agree, and we have to take world prices for that commodity when we are on an export basis. I have some sympathy with the complaint of my hon. friends. They claim that the remedy is to give food products in Canada the same measure of protection that is given to manufactured articles. I would be willing to consider it if I thought it would do the farming community any good. Did such action do the United States farmer any good? That is the difficulty of the United States government to-day and with the exception of France, the United States enjoys the highest protective tariff in Christendom. Nevertheless the farmers of the United States with a protective home market are in a worse situation than the Canadian farmers. I make the claim that in seven years out of ten—and this has been the history of Canada—food products have been on an export basis. We are not on an export basis to-day as regards butter.

Mr. MACDONALD (Richmond): Why?

Mr. STEWART (Edmonton): Simply because of the increased consumption of butter in Canada; not because we have been suffering with respect to manufactured products as my hon. friend would have us believe, but because we have increased in manufactured products by leaps and bounds and because we have consumed and are consuming more butter. As a matter of fact as regards the consumption of butter, Canada ranks perhaps the highest in the world, consuming 29 pounds per annum per capita. It is because we have had prosperity that our people have been able to buy butter. The moment we go on an export basis again with respect to butter or any other commodity, we shall have to take world prices and again we shall be competitors of New Zealand and Australia in the British or any other market that is buying commodities of this character.

I do not contend for a moment that something cannot be done with the Australian treaty. I would regret it if we were to lose the advantage of the Australian market, because it means and will mean much to Canada. I am in favour of increasing to the fullest extent and by every possible means inter-empire trade, trade with Britain and with the overseas dominions. I believe this commonwealth of nations will profit tremendously by treaties that will increase the trade of overseas dominions one with another. If we are to have a trade treaty with New Zealand or Australia, there are few commodities that Australia and New Zealand have for export other than food products. If they cannot make a trade treaty with a country that can take some of those products, a moderate supply of them. I do not see what advantage the Australians or New Zealanders are going to have in making a trade treaty at all. But we in Canada have been friendly competitors of theirs in the British market, and that market has fixed the price for our butter, cheese, wheat, and generally speaking for all the food products that we have to export. At the present time my hon. friends are taking advantage of a situation when they find the Canadian market for butter the highest in price of any market in the world, higher even than the United States. My hon. friend forgot to mention that. The price of butter in Canada is higher than that in the United States where they have three times the protection that the Canadian government has placed against butter.

Mr. BENNETT: That is not what last week's New York market shows.

Mr. STEWART (Edmonton): Two weeks ago in Chicago and two weeks ago in New York the quotations were one cent lower than Canadian prices.

Mr. McGIBBON: That was not the case yesterday.

Mr. STEWART (Edmonton): There may be fluctuations. My hon. friend will not deny that there is very little difference in the price to-day, but a year ago and two years ago he was making the welkin ring in regard to having for food products a protected market such as the United States has. We do not hear that now. It was that which brought me to my feet on this occasion, because I am not in the habit of making speeches in the house. My hon. friends are attempting to take advantage of a situation that is only temporary, because as I say—and my hon. friend can look up the figures and see whether or not I am wrong—at least seven years out of ten we shall be on an export basis so far as butter and other food products are concerned. If Canada is to progress, to go forward, we must have markets for those food products. It will be generations before we can consume all that we can produce in this country.

The complaint of hon. gentlemen opposite is that we have not protected our home market. Without going into details or giving figures, I state most emphatically that within the last five years we have increased our manufacturing to a greater degree than in any other five year period in the history of Canada. That was not done by increasing tariffs; rather the reverse. Then we are criticized by some hon. gentlemen for not decreasing tariffs still further. When we find ourselves in a situation such as I have described, with a market that consumes more than it produces of but one commodity, perhaps two—because we have to import bacon at the present time, whereas formerly we were exporting bacon—we are told that we should right-about-face and declare that the policy that we have followed, and under which our trade and manufacturing has developed to a greater degree than ever before, is all wrong. It is a perfect absurdity. If hon. gentlemen opposite were in office to-morrow, and they increased the duty against American or Australian butter, they would put our agriculturists in the same position as that in which the American agriculturists find themselves to-day, and the United States government, in that highly protected country, is at the present time offering various kinds of encouragement to the American farmer. With a surplus production, the export price regulates the price in the home market. That is a situation that we cannot get over. I might believe in protection were it not for this very stubborn fact that faces me upon every occasion.

Mr. McQUARRIE: Are the American farmers asking for lower tariffs?

Mr. STEWART (Edmonton): The American farmers are asking for money these days. They tried tariff relief and found out the fallacy of it. Now they are seeking relief from some other quarter.

Mr. McQUARRIE: They want higher tariffs.

Mr. STEWART (Edmonton): Not higher tariffs; they tried that. That is not the solution of the problem in any country that must be an exporting country, and it needs no argument to convince hon. gentlemen opposite of that fact. Everybody knows that you cannot assist the farmer by putting a tariff on the goods that he must export, and which fixes the market price in his own country.

With respect to the motion of my hon. friend, I intend to vote against it. I do not say that this treaty is a perfect one. I do not say that changes might not be made in it perhaps to the mutual benefit of both countries. I quite realize what my hon. friend says, that there have been mutterings from Australia to the effect that in their opinion they are not getting a fair deal out of this treaty, and that they would like to revamp it. So far as we are concerned, having proper regard for the interests of this country, we are perfectly willing to do so. I am going to vote against the motion as well as against the amendment.

Hon. R. J. MANION (Fort William): At this late hour I do not intend to delay the house more than five or ten minutes at the most. I sat here and listened to my hon. friend who has just taken his seat (Mr. Stewart, Edmonton) as I have to the remarks of various other ministers, and heard him repeat over and over again—he said it four or five times in the fifteen minutes he was up—that we have never had such a prosperous five year period as during the time this government has been in office. I do not mind saying that, although hon. gentlemen opposite sometimes accuse us of crying blue ruin when we tell the truth, I am not going to let that deter me from stating the facts. I say that never before in the history of this country as far back as I can remember, and I can remember back a few years at least,

have we had a deputation coming clear through from the Pacific coast to the Great lakes and on to Ottawa asking this government to help in the unemployment situation. That happened this very year, and I stood for over two hours with that delegation until I was driven out by the heat. It was a delegation representing every town from Vancouver and Victoria down through to Fort William and Port Arthur. They came here asking for help, and all they got from this government was an effort on the part of the Prime Minister (Mr. Mackenzie King) to convince them that there was no unemployment at all. He ended up by talking in a general way about unemployment insurance, and then a day or two afterwards in this house assured one of the Winnipeg members that unemployment insurance was a matter for the provinces to take up, that this government had no intention of doing it, but that if the provinces wanted to take it up, this government would not mind cooperating. I repeat, never before have there been so many labour groups urging any government to do something to relieve the unemployment situation. The government was asked to call a conference. The great United States, with all its prosperity— I deny that the United States has been hit anything like as hard as the minister tries to make out—called a conference of its leading business men, and only a couple of Sundays ago I listened to a minister telling of the advantages that had accrued through the calling of that conference. This government would not call a conference to satisfy anybody. Right in my own city of Fort William, for the first time in our history, we had parades of the unemployed, and one of the first places in this country to ask for assistance in the matter of unemployment was the home town of the Minister of Labour (Mr. Heenan). While the Minister of Labour was telling this country there was no unemployment, the town of Kenora, through its member in the legislature at Toronto, was asking for assistance to relieve the unemployment situation in that town.

We hear a great deal about unemployment in the United States. But what about the million and a half people in free trade England who are on the dole at the present time, and the number is constantly increasing? So far as the United States is concerned, it is true that conditions there have not been so good since the stock market crash last fall, but that is true of every other country. Certainly conditions in the United States are not so bad that they are talking of coming down to free trade. As the hon. member for New Westminster pointed out, the people there are asking for a greater amount of protection. I do not notice that they are cutting down the protection their producers have against Canadian products. Within the last few days they have raised the duties against the products of Canada which they import to the amount of $75,000,000 annually. That is in addition to the $100,000,000 of imports which the Fordney tariff shut out from Canada in 1922. What does this government propose to do to see that we get a fair deal with the United States? The only thing done is that the government says we must not do anything to provoke Washington, and we go on allowing our agricultural products of all kinds to be barred out of the United States. We do nothing in return but sit quiet and boast of the immense amount of unemployment there is in that great country.

I have heard a great many arguments in this house to-day and yesterday to the effect that tariffs increase the cost of living. I represent largely a workingman's constituency —, not entirely, because it comprises in part a farming section, but three-quarters of it is a workingman's constituency; and for thirteen years I have been taking in this house the same attitude on protection that I am taking now. I believe in a Canadian policy. I believe in the national policy properly brought up to date. In those thirteen years in which I have consistently taken that attitude I have never had the working people in my constituency complain that such a policy would increase the cost of living. I do not believe that any man or any woman in this country cares about the cost of living so long as he or she can get work and wages to pay that cost of living. That is the important part.

The government has claimed that we on this side of the house have been playing politics in connection with the butter industry, in connection with the fruit industry, and in connection with the egg industry. We have been told that it was either playing politics or just a joke. This government, as a matter of fact, makes no attempt to look after any interest in this country. Its whole policy is a policy of permitting this country to be swamped by the surplus products of other countries. The only possible way in which this country can get on its feet is to produce within its own borders some of that $900,000,000 worth of goods that we purchase from the United States in a year. We bought last year from the United States $338,000,000 worth of iron and steel products. Two thirds of those products could have been produced here.

Every pound of the butter that we are importing from New Zealand could and should have been produced in this Dominion. Out of all our imports we should produce at least fifty, sixty or possibly seventy-five per cent in this Dominion. Not until we adopt a policy such as that, a real Canadian-first policy, to produce what we can produce economically in this country, will this Dominion once more get back on its feet.

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, when I came into the chamber tonight my hon. friend the leader of the opposition (Mr. Bennett) was talking about asbestos, pulpwood, pulp and, I think, generally about the export of our raw materials and bringing them back into this country as manufactured goods. His argument, I believe, was that we should refuse to export those things in the raw or semi-raw state and should insist on everything being processed in this country and shipped out as finished products to other countries. It might interest the hon. gentleman and the house to know that at the present time we in Canada are the largest per capita exporters of manufactured goods in the world. I know my hon. friend will say, as he said this afternoon, that by our method of accounting we take goods that are manufactured to a very slight degree, in fact are not very far removed from the raw state, and count them as manufactured goods; but he also said that every other nation does the same thing; so that would still leave us in the lead as the greatest per capita exporters of manufactured products in the world.

My hon. friend who has just taken his seat (Mr. Manion) referred to the unemployment situation in Great Britain where he said a million and a half are unemployed. Granted that that is so. In the United States, a highly protected country, there are six million unemployed. Taking the population of the United States as three times that of Great Britain—it is only approximately so,—the ratio of unemployment is four and a half in Great Britain to six in the United States.

Mr. MANION: They have not yet had to put the dole system into force in the United States.

Mr. YOUNG (Weyburn): That is really unemployment insurance, to which the participants contribute. Now, let me come back to asbestos. I think my hon. friend's argument was we export our raw asbestos and import the finished product. In round figures we export about $14,000,000 worth of asbestos, and we import about $1,000,000 of manufactured asbestos goods. His idea is that we should insist on this $14,000,000 worth of raw asbestos being manufactured in this country into the finished product. But supposing those who buy our raw asbestos and process it should refuse to buy it if a prohibitive export duty were imposed?

An hon. MEMBER: They cannot.

Mr. YOUNG (Weyburn): Why not?

An hon. MEMBER: Because they cannot get it any place else.

Mr. CAHAN: They cannot get it anywhere else in the world.

Mr. YOUNG (Weyburn): They can buy asbestos in South Africa.

Mr. CAHAN: They cannot for manufacture in the United States.

Mr. YOUNG (Weyburn): They can buy it in Rhodesia.

Mr. CAHAN: They cannot.

Mr. YOUNG (Weyburn): If we refuse to sell them our raw asbestos they will simply tell us to keep it, and they will buy their raw material somewhere else.

Mr. CAHAN: Where?

Mr. YOUNG (Weyburn): In Rhodesia.

Mr. CAHAN: The hon. gentleman ought to study the elements of the asbestos business. He is absolutely ignorant of them.

Mr. YOUNG (Weyburn): Further than that, my hon. friend says—and his associates over there have repeated the argument time and again—that we should not export any of our mineral products in the raw state; we should finish them here. Let us see how they would encourage the mining industry in this country. The first thing in connection with a mine is the prospector, and they would encourage him by putting a higher duty on his pick and shovel, his boots and clothing, thus making it more expensive for him to go out and locate a claim. That is the encouragement they would give the prospector. Then when he has located his claim and sold it to a syndicate who will develop it, my hon. friends opposite would add a duty on all the machinery that syndicate requires to develop the claim into a mine.

Mr. CHAPLIN: And tax the stock certificates; that is what this government did.

Mr. YOUNG (Weyburn): An Ontario mine on the installation of one single hoist had to pay no less than $70,000 in duty. But my hon. friends opposite think that is not

enough; these duties they would make so high as to render it almost impossible to develop the mining properties of this country. That is the way they would encourage our mining industry. Then if the mining syndicate overcome that difficulty and get their mine developed to the producing point and have a chance to sell the ore abroad, my hon. friend from Vancouver Centre would say: "No, you must not sell your ore abroad; you must build a smelter in Canada and treat your ore here." And to encourage them he would increase the duty on the machinery of that smelter! That is how hon. gentlemen opposite propose to develop industry in Canada by means of their protective tariff.

My hon. friend had something to say about the United States favourable balance of trade and our adverse balance of trade. When I asked him how the United States received payment for all the surplus goods they sent abroad, he said they accepted it in gold. I should like to ask him if we in Canada pay our adverse balance of trade to the United States in gold?

Mr. BENNETT: Certainly.

Mr. YOUNG (Weyburn): Certainly not.

Mr. BENNETT: If the hon. gentleman will ask the Minister of Finance (Mr. Dunning), he will tell him exactly what has been going on during the last few months.

Mr. YOUNG (Weyburn): Are we shipping that out of the country?

Mr. BENNETT: No, we have to make arrangements for the purchase of it. When I say gold I mean money.

Mr. YOUNG (Weyburn): Our exports of gold last year amounted to $60,000,000 and our imports were about half that amount, leaving a net export of $30,000,000 odd.

Mr. BENNETT: That is right.

Mr. YOUNG (Weyburn): How do we redress that two or three hundred million dollar adverse balance of trade? We pay for it in goods or in services, not in gold.

Mr. STEVENS: Or borrow.

Mr. CAHAN: We pay part of it by borrowing money in the United States.

Mr. YOUNG (Weyburn): We are not borrowing much at the present time.

Mr. STEVENS: Yes, we are, we are borrowing too much.

Mr. YOUNG (Weyburn): The country of Australia has been held up to us as a model country which we should follow in these matters.

Mr. BENNETT: By whom?

Mr. YOUNG (Weyburn): By my hon. friend's predecessor in office.

Mr. BENNETT: That is a complete answer.

Mr. YOUNG (Weyburn): He told us that we should do as Australia was doing, that Australia was going to build up a high tariff wall that would shut out imports and permit only exports, and that that was the policy that would develop their resources. What did they do? They adopted one of the highest tariffs in the world.

Mr. STEVENS: It is lucky for my hon. friend that the Right Hon. Arthur Meighen is not here.

Some hon. MEMBERS: Order.

Mr. STEVENS: Order nothing.

Mr. YOUNG (Weyburn): Am I the only one who is glad of it?

Mr. STEVENS: No, there are a lot of others over there who are glad.

Mr. YOUNG (Weyburn): And over there, also.

Mr. STEVENS: No.

Mr. YOUNG (Weyburn): Now, let us see what happened in Australia under their high tariff. They have over two hundred and fifty items in their tariff which carry a rate of over forty per cent. This has increased the cost of production to such a point that it has become impossible for them to export—to compete in the markets of the world. They said in their hearts: "We will adopt a tariff that will make it possible for us to sell and not to buy." The result has been the very reverse. Now they have to buy instead of sell, and they are wondering how they are going to pay for their imports, because they cannot make anything cheap enough to sell to anybody else. That has resulted in their adverse exchange rate of about six per cent, mentioned the other night by my hon. friend from Vancouver Centre. He said they redressed that by the export of gold, and the figure quoted by him was $79,000,000 odd.

Mr. STEVENS: I said in the last eight months.

Mr. YOUNG (Weyburn): That makes it worse still.

Mr. STEVENS: I also said it was one of Australia's chief products. My hon. friend takes a small item and twists it—

Some hon. MEMBERS: Order, order.

Mr. YOUNG (Weyburn): I was going to add that my hon. friend said Australia could afford to do that because she is a producer of gold. I am one year behind my hon. friend, because he had one book out of the library ahead of mine. Last year Australia produced only about twelve or thirteen million dollars' worth of gold.

Mr. STEVENS: No, pounds sterling.

Mr. YOUNG (Weyburn): No, £2,375,000, which is less than $12,000,000.

Mr. STEVENS: You are all wrong.

Mr. YOUNG (Weyburn): No, I am absolutely right. Australia produces now between £2,000,000 and £3,000,000 worth of gold per annum. Change that into dollars and it comes between $10,000,000 and $15,000,000. She exported in eight months $79,000,000 in gold.

Mr. STEVENS: According to the Minister of Trade and Commerce (Mr. Malcolm).

Mr. YOUNG (Weyburn): These figures show that Australia is depleting her gold reserve. She has nothing to give in exchange for her imports. The tariff policy that she has adopted has made it impossible for her to trade with the world, and she has to deplete her gold reserve. Take the issue of January 18th of the Commercial Intelligence Journal, and it will show you that the Australian government is even now drafting a law to make the Commonwealth Bank of Australia—the government bank—the sole repository of gold in that country, and to prevent entirely the importation of gold. That is the situation. That is because, as the hon. gentleman said, she is exporting gold that she is not producing, and she is depleting her gold reserve. That is the situation that has been brought about in Australia by this tariff policy which my hon. friends are so fond of advocating.

My hon. friend from Vancouver Centre (Mr. Stevens) took me to task the other night for preferring the consumer to the producer. He said that while he has great respect for the consumer and the consumer's rights, he prefers the producer when the two interests clash. He would rather satisfy the producer than the consumer. I must admit that that belief is very popular in the world at the present time. Nearly every country has taken that attitude. They have undertaken to encourage the producer and lost sight of the consumer, and with what result? This has been the result; production has been encouraged to the point that the consumer is no longer able to buy the product of the producer; the purchasing power of the consumer has gone. You cannot tell me that there is too much food in the world; we have hundreds of millions of bushels of wheat in this country, and yet there are millions of people starving in Europe. It is a fact that 75 per cent of the people of the world to-day are wearing clothes frayed at the edges, yet the shelves in our shops are loaded with the products of manufacturers that cannot be sold.

Mr. CHAPLIN: Is wheat so dear they cannot buy it?

Mr. YOUNG (Weyburn): No. they are so poor they cannot buy it. This is the result of the policy adopted by practically every country of the world which favours the producer at the expense of the consumer. What is the remedy for the situation? There is only one remedy, and that is to bring those goods to a price the consumer can afford to pay. That is the only remedy. My hon. friend spoke of the depression in the United States as being due to the introduction of machinery.

Mr. BENNETT: And mass production.

Mr. YOUNG (Weyburn): The introduction of machinery and the adoption of what is called mass production has resulted in the possibility of producing the same quantity of goods with a lesser amount of labour. A certain percentage of the persons employed are laid off, and are thrown out of work; what should have happened then would be a reduction in price. Had there been a corresponding reduction in price where the manufacturer could then afford to sell his goods for less, and if he had reduced the price of his goods, the purchasing power would have been increased; there would have been a greater demand for the goods, more people would have been employed in that and other industries, and the men laid off because of the introduction of improved methods would be employed in some other way. But they have not done that. They have endeavoured to maintain the price until the time arrived when so many men were unemployed that there was no possibility of their buying the goods. That is the cause of unemployment, so far as the introduction of improved methods is concerned. The only remedy for that situation is to lower the price so as to enable the people to purchase the goods in the shops, and set the wheels of industry going again.

Mr. MACDOUGALL: If lower prices are good, would it not be a good thing for those owners of wheat to reduce the price of wheat that is being held in western Canada, and sell it for 25 cents a bushel?

Mr. YOUNG (Weyburn): I see what my hon. friend means. He asks, Why do you not sell your product lower than anybody else? To my mind that would not remedy the situation.

Mr. MACDOUGALL: No, but it would be following out your explanation logically.

Mr. YOUNG (Weyburn): What is it that keeps prices high? It is of no use to lower the price of a single commodity unless you can bring the prices of all commodities down. What keeps the price of a commodity at a high level? It is the universal system of tariff all over the world which keeps prices up. There should be a system whereby prices of all commodities would be reduced to the point where the people could buy them.

There is some talk of revision of the Australian treaty. We bought from her last year something like $3,500,000 worth of goods and sold to her about $19,420,000 worth. The duty we collected on that trade was $133,770. There is not very much produced in Australia that comes into competition with our products, and there is not very much we ship into Australia that comes into competition with her products; why not have free trade between the two countries? That would be a step in the direction of empire free trade, and a step towards the resolution of my hon. friend (Mr. Fansher) which aims at extending the British preference. It would not hurt any Canadian industry; it would help both countries and we would lose very little revenue by it.

Mr. F. W. GERSHAW (Medicine Hat): I would like to take a few minutes to express what I conceive to be the opinion of the people in the district from which I come. I have a standing arrangement with an hon. gentleman on the other side not to vote in his absence, but I would like to express my preference for and my support of the amendment offered by the hon. member for Acadia (Mr. Gardiner).

As has been said so often, the farming industry, which is the great basic industry of this country, is at the present time in a critical condition. I believe almost any farmer in Canada would sell out, if he could. Not being able to do that, however, he simply must struggle along and do the best he can. It is not necessary for me to repeat the arguments which have been advanced or to labour this point in particular. We know that in a normal year we grow something in the neighbourhood of 500,000,000 bushels of grain. Each man, woman and child consumes about five bushels per year so that we have food enough for 100,000,000 people. Our population is only 10,000,000. The same thing applies, to some extent, to meat and cheese, and to a large number of products. At the present time there is over-production throughout the country, and the farmers are suffering on that account. Perhaps in no district in Canada have the farmers suffered more than in southern Alberta, where they tried the great venture of raising large crops of wheat and grain. This turned out unfortunately, and now they are turning to mixed farming and sheep raising.

It has been clearly established that this treaty provides a market for lines of manufactured goods, and it thus helps those engaged in these industries to prosper. However, it has not been shown that it is of any benefit to the farmer or to the great basic industry of agriculture, which at the present time greatly needs help. There is a strong presumption that it is not only of no benefit but is somewhat of an additional handicap instead. It has been often said that we should manage our own affairs in our own way, and with that in mind I venture to suggest this condition of affairs to the government, so that in the discussion of new treaties at any economic conference at least they will know some of the handicaps under which a great basic industry of this country is struggling.

The house divided on the subamendment (Mr. Stevens) which was negatived on the following division:

YEAS

Messrs:

Adshead,	Garland (Carleton),
Anderson (Toronto-High Park),	Geary,
Arthurs,	Grimmer,
Barber,	Hanson,
Bell (Hamilton West),	Hocken,
Bell (St. Antoine),	Hubbs,
Bell (St. John-Albert),	Jones,
Bennett,	Ladner,
Black (Yukon),	Macdonald (Richmond-West Cape Breton),
Black (Halifax),	Macdougall,
Bowen,	McGibbon,
Cahan,	McQuarrie,
Charters,	McRae,
Clark,	Maybee,
Cowan,	Murphy,
Dickie,	Peck,
Embury,	Perley (Sir George),
Ernst,	Price,
Esling,	Rennie,
Fraser,	Ross (Kingston City),
	Ryerson,

Senn,
Sinclair (Wellington North),
Smith (Cumberland),
Smoke,
Spankie,
Spence,
Stewart (Leeds),
Stirling,
Thompson,
Tummon.—51.

NAYS

Messrs:

Allan,
Bancroft,
Beaubien,
Benoit,
Bertrand,
Bettez,
Bird,
Blanchard,
Blatchford,
Bock,
Boivin,
Bothwell,
Boucher,
Boulanger,
Bourassa,
Bourgeois,
Bradette,
Brown,
Cahill,
Cannon,
Casgrain,
Cayley,
Chevrier,
Coote,
Crerar,
Desaulniers,
Descoteaux,
Dionne,
Duff,
Dumaine,
Dunning,
Dupuis,
Evans,
Fafard,
Fansher (Last Mountain),
Fansher (Lambton East),
Ferland,
Gardiner,
Garland (Bow River),
Gervais,
Girouard,
Glen,
Goulet,
Hall,
Heenan,
Howden,
Ilsley,
Irvine,
Jelliff,
Jenkins,
Johnston (Long Lake),
Kellner,
Kennedy,
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lacombe,
Laflamme,
Langlois,
Lang,
Lapierre,
Letellier
Lovie,
Lucas,
Luchkovich,
Macdonald (Glengary),
MacLean (Prince),
McLean (Melfort),
Macphail (Miss),
McDiarmid,
McIntosh,
McKenzie,
McMillan,
McPherson,
Marcil,
Mercier (Laurier-Outremont),
Mercier (St. Henri),
Millar,
Milne,
Morrissy,
Neill,
O'Connor,
Parent,
Power,
Raymond,
Roberge,
Robitaille,
St-Père,
Sanderson,
Séguin,
Sinclair (Queens),
Smith (Stormont),
Speakman,
Steedsman,
Stewart (Edmonton West),
Sylvestre,
Taylor,
Telford,
Totzke,
Vallance,
Veniot,
Verville,
Young (Saskatoon),
Young (Weyburn).—103.

(During the taking of the vote):

Mr. CAHAN: I do not know whether or not this is a matter of privilege, Mr. Speaker, but a moment ago I looked across the floor and thought I recognized the Secretary of State, with whom I was paired, so I voted.

[Mr. Gershaw.]

Now I find it was the hon. member for St. Denis (Mr. Denis). I should not have voted, and I am very sorry. I should like to withdraw my vote before the announcement is made, if I may do so, because I voted by mistake.

PAIRS:

(The list of pairs is furnished by the chief whips.)

Messrs:

Tobin,
Delisle,
Motherwell,
Lapointe,
Elliott,
Bowman,
Hay,
Baldwin,
Lavigueur,
Fontaine,
Parent,
Ralston,
Malcolm,
Rinfret,
Cardin,
Euler,
Jacobs,
Gershaw,
Gray,
Bouchard,
Morin,
Prevost,
Rheaume,
Fiset, Sir Eugene,
Hepburn,
Denis,
Pouliot,
Guerin,
McPhee,
Ross (Moose Jaw),
Thorson,
Odette,
Rutherford,
Wilson (Vaudreuil-Soulanges)
Dussaut,
Lacroix,
Howard,
Kay,
Donnelly,
Harris,
Chaplin,
McGregor,
Guthrie,
Edwards (South Waterloo),
Hodgins,
Matthews,
Johnstone (Cape Breton),
Kaiser
Anderson (Halton),
Boys,
MacNutt,
Stevens,
Cahan,
Cantley,
Manion,
Young (Toronto Northeast),
White (London),
Lawson,
Pettit,
Ryckman,
Stinson,
Church,
MacLaren,
Spotton,
Simpson,
Lennox,
Maloney,
Macdonald (Kings),
Plunkett,
Brady,
Robinson,
Gott,
White (Mount Royal),
Cotnam,
Rowe,
Casselman,
Wilson (Wentworth),
Quinn.

Mr. SPEAKER: The question now is on the amendment.

The house divided on the amendment (Mr. Gardiner) which was negatived on the following division:

YEAS

Messrs:

Bird,
Boucher,
Coote,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Gardiner,
Garland (Bow River),
Irvine,
Jelliff,
Kellner,
Kennedy,
Lucas,
Luchkovich,
Macphail,
Speakman.—16.

NAYS

Messrs:

Adshead,
Allan,
Anderson (Toronto-High Park),
Bancroft,
Barber,
Beaubien,
Bell (Hamilton West),
Bell (St. Antoine),
Bell (St. John-Albert),
Bennett,
Benoit,
Bettez,
Black (Yukon),
Black (Halifax),
Blanchcard,
Blatchford,
Bock,
Boivin,
Bothwell,
Boulanger,
Bourassa,
Bourgeois,
Bowen,
Bradette,
Brown,
Cahill,
Cannon,
Casgrain,
Casselman,
Cayley,
Charters,
Chevrier,
Cotnam,
Cowan,
Crerar,
Desaulniers,
Descoteaux,
Dickie,
Dionne,
Duff,
Dumaine,
Dunning,
Dupuis,
Embury,
Esling,
Fafard,
Ferland,
Fraser,
Garland (Carleton),
Geary,
Gervais,
Girouard,
Glen,
Goulet,
Grimmer,
Hall,
Hanson,
Hay,
Heenan,
Howden,
Hubbs,
Ilsley,
Jenkins,
Jonhston (Long Lake),
Jones,
Kaiser,
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lacombe,
Ladner,
Laflamme,
Langlois,
Lang,
Lapierre,
Letellier,
Lovie,
Macdonald (Glengarry),
Macdonald (Richmond-West Cape Breton),
Macdougall,
MacLean (Prince),
McLean (Melfort),
McDiarmid,
McGibbon,
McIntosh,
McKenzie,
McMillan,
McPherson,
McQuarrie,
McRae,
Manion,
Marcil,
Maybee,
Mercier (Laurier-Outremont),
Mercier (St. Henri),
Millar,
Milne,
Morin,
Morrissy,
Murphy,
Neill,
O'Connor,
Parent,
Peck,
Perley (Sir George),
Power,
Price,
Raymond,
Rennie,
Roberge,
Robitaille,
Ross (Kingston City),
Ryckman,
Ryerson,
St-Père,
Sanderson,
Séguin,
Senn,
Simpson,
Sinclair (Queens),
Sinclair (Wellington North),
Smith (Cumberland),
Smith (Stormont),
Smoke,
Spankie,
Spence
Steedsman,
Stevens,
Stewart (Edmonton West),
Stewart (Leeds),
Stirling,
Sylvestre,
Taylor,
Telford,
Thompson,
Totzke,
Tummon,
Veniot,
Verville,
Young (Saskatoon),
Young (Toronto Northeast),
Young (Weyburn).—141.

PAIRS:

(The list of pairs is furnished by the chief whips.)

Messrs:

Deslauriers, Spencer.

Mr. ELLIOTT: I was paired with the hon. member for South Waterloo (Mr. Edwards). Had I voted, I would have voted against both the subamendment and the amendment.

Mr. THORSON: I was paired with the hon. member for Skeena (Mr. Brady). Had I voted, I would have voted against both the subamendment and the amendment.

Mr. BOWMAN: I was paired with the hon. member for East Middlessex (Mr. Hodgins). Had I voted, I would have voted against both the subamendment and the amendment.

Mr. ROSS (Moose Jaw): I was paired with the hon. member for Victoria (Mr. Plunkett). Had I voted, I would have voted against both the subamendment and the amendment.

Mr. ROWE: I was paired with the hon. member for Beauce (Mr. Lacroix). Had I voted, I would have voted for the subamendment and against the amendment.

Mr. MacNUTT: I was paired with the hon. member for Shelburne-Yarmouth (Mr. Ralston). Had I voted, I would have voted for the subamendment and against the amendment.

Mr. PETTIT: I was paired with the hon. member for Kamouraska (Mr. Bouchard). Had I voted, I would have voted for the subamendment and against the amendment.

Mr. KAISER: I was paired with the hon. member for Quebec-Montmorency (Mr. Lavigueur). Had I voted, I would have voted for the subamendment and against the amendment.

Mr. RYCKMAN: I was paired with the hon. member for St. Hyacinthe-Rouville (Mr. Morin). Had I voted, I would have voted for the subamendment.

Mr. MANION: I was paired with the hon. Minister of National Revenue (Mr. Euler). Had I voted, I would have voted for the subamendment.

Mr. CHURCH: I was paired with the hon. member for Jacques-Cartier (Mr. Rheaume). Had I voted, I would have voted for the subamendment.

Mr. QUINN: I was paired with the hon. member for Willow Bunch (Mr. Donnelly). Had I voted, I would have voted for the subamendment and against the amendment.

Mr. TOBIN: I was paired with the hon. member for Toronto-Scarborough (Mr. Harris). Had I voted, I would have voted against both the subamendment and the amendment.

Motion agreed to and the house went into committee of supply, Mr. Johnston in the chair.

DEPARTMENT OF PUBLIC WORKS

Quebec—harbours and rivers—Cap de la Madeleine—in full and final settlement of the claim of Messrs. Munn & Shea in connection with their contract for wharf extension, $27,249.25.

Sir GEORGE PERLEY: When we were discussing this item the other evening the minister was asked to make an explanation. It had been suggested that the department had given contracts to people who did not intend to carry them out at the price named in the contract, as they expected to receive payment for extras. Some hon. members were of the opinion that this item proved conclusively that the contract had been taken at a lower figure than it should have been and that this item was to cover payment for extras.

Hon. J. C. ELLIOTT (Minister of Public Works): It is possibly true that the contract was taken at a lower figure than it should have been, but that is not the basis upon which this allowance is being made. The circumstances in connection with this item are unusual. The contract was taken at a price much below the next lowest tenderer, but that of itself would not entitle the contractor to remuneration. This claim is based on three different grounds. First of all, the estimate for ballast was made at $2 per cubic yard. At the time the tender was made there seemed to be no doubt that the contractor would be able to obtain his ballast at $2 per cubic yard, but between the time of putting in the tender and the awarding of the contract the Wayagamack Pulp and Paper Company had commenced the construction of a large wharf at Three Rivers and had contracted for the whole available supply of stone at that point. Another quarry had to be opened up and the stone cost the contractor $1 per cubic yard extra, which made an increase of about $32,000. They claim also that they were delayed in getting the berth dredged for their crib seats, as previous orders for the dredge had been booked and they had to wait their turn, losing about two months.

As my hon. friend will remember, the fall of 1927, when this work was being carried out, was exceptionally wet. Having failed to get their stone at the former quarry, the quarry which they opened for the supply of ballast stone, near Grondines, thirty miles below the site of the work, was so flooded that they were not able to work it. They were not able to discontinue operations as it would have left the wharf in an unsafe condition, so they had to buy stone at greatly enhanced prices, filling the crib during the winter under adverse conditions, and this made the work expensive. This high water continued until late in 1928. The district engineer states that the contractors' claim in this respect is substantiated by the fact that in 1927 and 1928 the St. Lawrence river level rose and kept at practically spring flood heights during those years. There was considerable damage all over the province and many bridges, railway wharves and roads were washed away. The engineer states further that in the spring of 1928, following the very wet autumn of 1927, the water level was still so high that the wharf and approach to the wharf were flooded to such an extent that they could not get to the wharf with the stone. This meant that the stone in railway cars was subject to demurrage and when unloaded had to be rehandled as it could not be taken to the wharf. The district engineer states that the contractors executed the work as best they could under the adverse conditions, and did all that it was humanly possible to do to proceed with the work in the most economical way.

The report shows that the stone filling between the cribs, on the stated figures given by the company, gives a price of $3.35 per cubic yard instead of their tender price of $2, and the engineer considered that the adverse conditions amounted to practically force majeure and recommended the claim for favourable consideration. What was done was this: an estimate was taken; the books were submitted for examination by the officials of the department, and it was found that this work cost the contractors $54,498.50 more than the amount they received. The recommendation of the local engineer was that in view of the diligence with which they had proceeded and the difficulties with which they had been confronted, and which had increased the cost of the work by this amount,

one-half of this claim be paid. After a number of consultations, including interviews with the contractors during which they urged very strongly the payment of their whole claim, the practice that had been followed by the department in similar cases, of dividing under such exceptional circumstances the loss with the contractors, was adopted.

SIR GEORGE PERLEY: The latter part of the minister's explanation seems to be quite proper. The main item, I understand, was the extra cost of ballast which had been estimated at $2 and which it was found for certain reasons cost over $3. Is that a good reason for making an extra payment? Would the contractors have presented the government with some money if they had been able to get their ballast at $1 instead of having to pay $2 as was estimated?

Mr. ELLIOTT: There is no doubt about that and I may tell my hon. friend the contractors feel they are very badly treated as it is. They have lost their time and they are out now the sum of $27,000, but it is this force majeure that is, in the opinion of the engineers, responsible for the fact that the contractors were not able to get into the new quarry which they owned.

Mr. HANSON: I listened very attentively to everything the minister said. Does it not all come down to this, that the department is making a compassionate allowance? There is not a single instance of a legal or even equitable claim against the department, but because the contractors have fallen upon bad days and met a serious contingency they had not counted upon, the department now, as a compassionate allowance, is making a contribution of 50 per cent of the loss. This is on the same basis as the Escuminac item in New Brunswick.

Mr. ELLIOTT: Quite so.

Mr. HANSON: I should like, for the information of parliament, to know what is the annual cost to the country of proceeding on that principle; because I know the amount is increasing. A claim for extra cost of procuring ballast would never be allowed by a private company if they had a contract with the contractor, or by a municipality which was guarding money collected from the taxpayers by direct taxation. I am satisfied on that point, having had a very substantial municipal experience in connection with public works. I am not at the moment adversely criticizing this policy, because I know of cases of great hardship such as occurred in the Escuminac case where not the contractor but the subcontractor lost $10,000 and was pretty nearly wiped out. This policy is costing the country a great deal of money and we ought to know for the last fiscal year how many such cases there have been and what it is going to cost the country to divide these losses. It cannot be urged that there was any force majeure in connection with the ballast; it was simply lack of foresight on the part of the contractor. He did not make a contract for the delivery of his ballast; someone else got in ahead of him, and he had to open up a new quarry, and that accounts for $32,000 of the total loss, according to the minister's statement. I do not think the contractor was entitled to a cent on account of the increased cost of the ballast. We might as well understand the principle on which this money is voted. This is purely a gift to the contractor. He did not look after his contract in a businesslike way. Had he secured the ballast before the other people got in ahead of him, he would have been able to do the work at the bid price. It is not a case of force majeure. Floods and high water, of course, are beyond the control of a contractor, but he ought not to be paid because of his neglect in securing the ballast.

Mr. ELLIOTT: I think my hon. friend has taken a pretty reasonable view, and if I may say so, a fairly accurate view of the legal situation, except that the law with regard to force majeure is that if the circumstances were so unusual that they could not by any reasonable diligence have been foreseen and provided against, it could not have been in the contemplation of the parties.

Mr. HANSON: It is not quite that wide.

Mr. ELLIOTT: I think my hon. friend will find that that is exactly what it is.

Mr. HANSON: That would cover lack of business ability.

Mr. ELLIOTT: I want to be fair to my hon. friend because I think that he has been absolutely fair in his criticism of the Escuminac case as well as the one now under consideration. Might I point out that it was not lack of diligence on the part of the contractor that prevented his getting the stone before the Wayagamack company got in? They got in between the time he submitted his tender and the time he was awarded the contract.

Mr. HANSON: He should have had an option on the stone.

Mr. ELLIOTT: I think my hon. friend would hardly say that a contractor who did not know whether he was going to get the

contract was justified in going to the expense of obtaining an option. There have been very few of these cases during my regime as Minister of Public Works. I should be very glad to get my hon. friend a complete list of such cases for some years past, and I think he will find that the department has adopted an absolutely uniform method in regard to all.

Mr. HANSON: I have no doubt about that, but it would be interesting to have a list of the cases.

Mr. ELLIOTT: I shall be very glad to supply that information. My hon. friend would not expect me to be able to give him the list offhand. This year there are not more than one or two other cases besides the Escuminac case and this one, and I think this is by far the largest.

Mr. CANTLEY: Would the minister be good enough to tell us how many tenders were put in for the work and what the amounts were?

Mr. ELLIOTT: The following is a list showing the tenderers and their amounts:

Chief engineer's estimate.. .. ..$121,702	00
1. Munn and Shea, Limited.. 110,942	00
2. Page Equipment & Construction Co.. 121,786	60
3. Atlas Construction Co., Limited. 124,992	00
4. Onesome Poliquin—Jos Poliquin. 128,939	80
5. Joseph St. Jean—Albert Brouillet 139,998	00
6. J. Alphonse Lemay.. .. .. 160.533	36
7. Weddell & Saunders.. 174,321	00

Item agreed to.

Cap St. Ignace—wharf, $20,000.

Sir GEORGE PERLEY: What county is this in?

Mr. ELLIOTT: This is in Montmagny county. The work is under contract.

Mr. HANSON: Is this the total cost of the work, or just a payment on account?

Mr. ELLIOTT: This is just the start. The work will cost in the vicinity of $100,000.

Item agreed to.

Carleton—wharf extension, $10,000.

Mr. HANSON: Is this in Bonaventure county?

Mr. ELLIOTT: Yes.

Mr. HANSON: Is this the total amount to be paid, or just a partial payment?

Mr. ELLIOTT: The estimated cost is $24,000. This is just a start.

[Mr. Elliott.]

Mr. HANSON: What is the nature of the extension? They have a large pulp wharf there now.

Mr. ELLIOTT: This work has been requested by the residents of Carleton and has been urged by the engineer and by the member. In 1929, during a heavy storm, some of the fishing boats moored at the wharf were driven ashore and completely wrecked. The proposed extension will provide the required shelter at this harbour, which is the only port of refuge within a radius of eighty miles. There has been a remarkable and very substantial revival in the lumber industry due to the building of several large mills in the vicinity. This construction will increase the traffic greatly by water, as Dalhousie, St. Omer and Carleton are linked together by a local service and the wharfage accommodation is totally inadequate.

Item agreed to.

Caughnawaga—wharf repairs, $1,800.

Mr. HANSON: This is the Indian village, is it not? Is there anything larger than a canoe landing at Caughnawaga?

Mr. ELLIOTT: There are two ferries. Some 45,000 vehicles are carried to and from this port annually.

Item agreed to.

Cloridorme—wharf, $15,000.

Sir GEORGE PERLEY: Is this a new work?

Mr. ELLIOTT: Yes.

Sir GEORGE PERLEY: How much is it going to cost altogether?

Mr. ELLIOTT: The estimated cost is $65,000.

Sir GEORGE PERLEY: Where is the place?

Mr. ELLIOTT: Grand Cloridorme is a large cove located in the centre of the municipality of Cloridorme, fourteen miles southeast of Grand Vallee and forty-nine miles from the terminus of the A. Q. and W. railway at Gaspe Basin. This work was requested in numerous petitions from the residents of the parish of Ste. Cecile du Cloridorme dating back to 1923, and is required to provide landing facilities for steamers and coasting schooners and to permit fishing boats to harbour here. The annual traffic amounts to approximately $125,000.

Mr. HANSON: What county is it in?

Mr. ELLIOTT: Gaspe.

Sir GEORGE PERLEY: How far is it to the next good wharf in either direction?

Mr. ELLIOTT: This is fourteen miles southeast of Grand Vallee.

Item agreed to.

Doucet's Landing—(Ste. Angele de Laval)—dredging, $45,000.

Sir GEORGE PERLEY: I think we should have some explanation of this large item. It is new work, I assume?

Mr. ELLIOTT: This dredging is to remove the dangerous ledge to the east of the present channel between this place and Three Rivers and facilitate the ferry service between these places which is carried on by two boats every half hour. The traffic carried on here is very heavy, consisting of 4,500 tons of general freight and express parcels, 21,211 autos, 192,579 passengers and 19,500 teams. It is very dangerous for boats to pass one another in a high wind and in the winter season.

Mr. HANSON: What county is that in?

Mr. ELLIOTT: Nicolet county.

Item agreed to.

Doucet's landing—(Ste. Angele de Laval)—wharf reconstruction, $6,400.

Mr. HANSON: Is that part of the same work?

Mr. ELLIOTT: No, this is to complete payment on the contract with J. E. Fleury for the reconstruction of the headblock and approach of this wharf. The approach was in a very bad condition, the cribwork being so badly decayed that it has had to be closed to traffic, after a freight car loaded with paper cores broke through and fell into the river.

Item agreed to.

Fassett—wharf reconstruction, $8,500.

Sir GEORGE PERLEY: How much business is there at Fassett? It is a place down on the Ottawa river, I believe

Mr. ELLIOTT: It is a village on the north shore of the Ottawa river on the Canadian Pacific railway, fifty miles east of Ottawa. It has important lumbering industries.

Sir GEORGE PERLEY: Important lumbering industries?

Mr. ELLIOTT: Yes.

Sir GEORGE PERLEY: Have you any figures of the amount of business done there? I understood the mill was closed down.

Mr. ELLIOTT: The work was requested by the district engineer in his annual estimates and is required to keep the wharf in a condition suitable for the accommodation of the traffic handled by the boats of the Ottawa Transportation Company. During the season of 1928, approximately 80 tons of freight were handled at this place.

Mr. HANSON: That is a large amount!

Mr. ELLIOTT: During the season of 1928-29 a portion of the landing-head was rebuilt with cribwork. It is now proposed to reconstruct the remaining part, which is of pile construction, and in very bad condition.

Mr. HANSON: I submit, Mr. Chairman, that is a trivial amount of traffic, not more than two carloads of freight in a whole season.

Mr. ELLIOTT: Perhaps I should have given some further information. The condition of the wharf is such that we have to decide whether we shall allow it to go altogether or repair it. This is the report of the district engineer:

> The top of the piles in high level landing are in an advanced state of decay, so much so that the high level freight shed had to be supported temporarily last summer. Some of the floor stringers had to be braced also to keep this structure open to traffic. This part of the wharf will have to be rebuilt immediately.
>
> This work cannot be postponed without detriment to the public.

Mr. HANSON: I suppose the wharf is not fit even to handle the boat traffic?

Mr. ELLIOTT: Yes.

Mr. HANSON: Well, they are entitled to it.

Item agreed to.

Grand Anse (Gaspe Co.)—wharf, $34,000.

Sir GEORGE PERLEY: Is this to complete the work?

Mr. ELLIOTT: This is required to complete the contract entered into in November 1929.

Item agreed to.

Grand Entry, M.I.—pilework extensions, $4,500.

Mr. CANTLEY: Where is this place?

Mr. ELLIOTT: In the Magdalen islands, Gaspé county.

Mr. HANSON: Is there anything for St. Pierre and Miquelon in these estimates?

Sir EUGENE FISET: Yes, a warehouse!

Mr. HANSON: It will be needed soon.

Item agreed to.

Quebec—harbours and rivers generally—repairs and improvements, $100,000.

Sir GEORGE PERLEY: I have no objection to the item, but I think that some of the members may want to ask a few questions in regard to it, and as we have made very good progress I suggest the minister call it a day.

Progress reported.

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

Friday, March 28, 1930

The house met at three o'clock.

REPORT OF COMMITTEE

First report of the joint committee on the parliamentary restaurant.—Mr. Speaker.

NATURAL RESOURCES

AGREEMENT WITH SASKATCHEWAN TABLED

Hon. CHARLES STEWART (Minister of Interior): I beg to lay on the table two copies of the agreement, respecting the return of the natural resources, between the province of Saskatchewan and the federal government of Canada, and to say that copies of the agreement will be available in the distribution office for any hon. members who desire them.

CANADIAN NATIONAL RAILWAYS

ANNUAL REPORT

On the orders of the day:

Hon. T. A. CRERAR (Minister of Railways and Canals): Yesterday the hon. leader of the opposition (Mr. Bennett) inquired when the annual report of the Canadian National Railways would be available. I find that the auditors have completed their work. The report is now in the hands of the printers, and I expect to lay it on the table of the house before the Easter adjournment.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

The house in committee of supply, Mr. Johnston in the chair.

Quebec—harbours and rivers generally—repairs and improvements, $100,000.

Sir GEORGE PERLEY: How much was spent under this head last year?

[Mr. Hanson.]

Hon. J. C. ELLIOTT (Minister of Public Works): The amount spent last year was $92,487.

Item agreed to.

Ile Perrot—dredging, $8,000.

Sir GEORGE PERLEY: Where is Ile Perrot, and is this work that has to be done every year, or is this a contract for some specific work?

Mr. ELLIOTT: Ile Perrot is a post village in Vaudreuil county, about six miles from Ste. Anne de Bellevue, on the Canadian National and Canadian Pacific railways. This is a revote, which is required to complete the contract which was entered into last year.

Item agreed to.

Lake St. Louis—dredging, $47,000.

Sir GEORGE PERLEY: Does this department do all the dredging in lake St. Louis, or is some of it done by the Marine and Fisheries department?

Mr. ELLIOTT: That department does no dredging above Montreal.

Mr. GARDINER: Will this amount complete the work?

Mr. ELLIOTT: It will complete the contract that has been entered into. Of course, this is a place where dredging has to be done pretty constantly.

Item agreed to.

Little Montreal river—dredging—the provincial government to contribute a like amount, $14,000.

Sir GEORGE PERLEY: I notice that the cost is divided with the provincial government. Why is that?

Mr. ELLIOTT: A contract was awarded in December, 1928, to G. Lorrain by the county of Napierville, amounting to $30,487, upon the understanding that the Dominion government and provincial government would each pay half the cost of each progress estimate up to a total of $30,000, the supervision to be made by the federal engineer's office. Order in council, dated February 6, 1929, gave authority to confirm the above arrangement, and for the Dominion government to pay one-half of the progress estimates to be submitted, such payments to be made as the work proceeded, and not to exceed the amount of the contribution voted, $15,000. Since that time, however, during the progress of the work, it was found that the material encountered was much harder than anticipated, and the contractor, after removing some of this at considerable

difficulty by blasting, had to discontinue the work on November 15, 1929. The contractor claims that he should be paid for this material at rock prices, $2.25 per yard, as contained in the contract, and the matter is being dealt with by negotiations between this department, the provincial Department of Agriculture, and the county. I might say that this is carrying out work which was started in 1928, but on account of delays, due to the different governments interested, we have only made such progress as I have stated.

Sir GEORGE PERLEY: What differentiates this work from many other items where the provincial government is interested? Why does not the provincial government pay half of the other items?

Mr. ELLIOTT: It is one of those matters where it is claimed that the Dominion government should contribute. This is similar to Norton's creek and some other cases where both governments have been doing the work for a number of years.

Sir GEORGE PERLEY: The reference to Norton's creek is rather unfortunate, as I understand that was really for the purpose of drainage. Is this item the same sort of thing; is it really a drainage scheme?

Mr. ELLIOTT: I would not say that it is a drainage scheme, but it is not dissimilar to Norton's creek.

Mr. GARDINER: What is the character of the work that is actually being done? The minister has not yet given a definite reply.

Mr. ELLIOTT: It is dredging in the Little Montreal river.

Mr. GARDINER: Why are the two governments interested? It is rather unusual, is it not?

Mr. ELLIOTT: It is both a dredging and a drainage proposition, and each government claims it should be done by the other. So a compromise arrangement was arrived at under which each contributes to the cost.

Mr. GARDINER: After the dredging is done will the channel be of any use for boats?

Mr. ELLIOTT: Only for very small boats.

Mr. GARDINER: How large?

Mr. GUTHRIE: Row boats.

Mr. ELLIOTT: Much larger than that.

Item agreed to.

Manicouagan river—wharf—one-third of cost to be contributed jointly by the Ontario Paper Co., Ltd., and the Anglo Canadian Pulp and Paper Co., $275,000.

Mr. CANTLEY: This appears to be an old acquaintance. Would the minister be good enough to give us some information in regard to it?

Mr. ELLIOTT: Yes. This amount is required to cover the government's share of the completion of the contract entered into in September, 1929, with Messrs. Farley & Grant and Cummins & Robinson for the construction of a wharf, 1,900 feet long, the first 1,000 feet to be formed of a stone embankment and the next 900 feet of cribwork. This wharf is being built in connection with the construction of pulp and paper mills and power development near the mouth of the Manicouagan river by the Ontario Paper Co. Ltd., and the Anglo Canadian Pulp and Paper Co., these two companies having agreed to contribute one-third of the total cost of the work.

Sir GEORGE PERLEY: One-third each, or one-third between them?

Mr. ELLIOTT: One-third between the two.

Mr. MANION: What is the estimated total cost?

Mr. ELLIOTT: The chief engineer's estimate for the total work to be done was $417,450. The amount of the contract is $474,774.

Mr. LUCAS: How much has been spent already?

Mr. ELLIOTT: About $75,000.

Mr. MANION: What constituency is it in?

Mr. ELLIOTT: Charlevoix-Saguenay.

Mr. GARDINER: Will this remain the property of the Dominion government?

Mr. ELLIOTT: Yes.

Mr. GARDINER: Will there be any charges for its use by the companies?

Mr. ELLIOTT: No.

Mr. GARDINER: Will any person have the right to use the wharf?

Mr. ELLIOTT: Yes, it is a public wharf; everybody will have the right to use it. These two companies are making large expenditures in the vicinity at the present time, and the reason they are contributing is that they will be more directly interested than the general public

Mr. MANION: Will the chief whip of the Liberal party (Mr. Casgrain) give us the particulars of this work? He will probably know more about it than the Minister of Public Works.

Mr. ELLIOTT: I doubt it very much.

Mr. MANION: I do not doubt it at all. I understand this is in the constituency of the chief Liberal whip. Perhaps he will be able to explain to the house fully what the expenditure is for.

Mr. CASGRAIN: This is a development similar to others that have been carried on in certain parts of Quebec and also in other provinces. Manicouagan is situated about 250 miles below the city of Quebec. The Anglo-Canadian Pulp and Paper Company and the Ontario Paper Company, Limited, have obtained from the provincial government a lease of all the timber limits in the watershed east of the Manicouagan river, the largest timber limits in the province on the north shore of the St. Lawrence. The two companies have an agreement with the provincial government, a copy of which was deposited with the Department of Public Works, under which the companies covenant with the provincial government to establish pulp mills at Manicouagan and have them in operation by 1931. The provincial government is assisting the two companies to develop the town by providing a road from the site to the wharf. During the course of this summer or early next year the projected town will have, it is estimated, a population of 4,000 or 5,000 people. It is claimed that the new municipality will be a source of revenue both to the provincial and federal governments because the pulp mills will give employment to a large number of people living in the vicinity. I may say that the provincial government has also helped the Anglo-Canadian Pulp and Paper Company to develop a place called Clark City on the north shore of the St. Lawrence very much along the same lines, and in that instance years ago, the federal government, under another administration, paid the whole cost of the wharf. The Ontario Paper Company, Limited, owns and operates timber limits at other places along the north shore, one in Shelter Bay and the other at Franklin. These two are the largest and most reliable companies engaged in the wood and paper industry in the province of Quebec.

[Mr. Elliott.]

Mr. MANION: I congratulate the hon. member on how much he knows with respect to this item. He has given us a great deal more information than the Minister of Public Works did.

Mr. ELLIOTT: He took longer.

Mr. MANION: Of course the minister was interested in taking a shorter time. Will the chief whip of the Liberal party inform us if the Clarks interested in Clark City are the same gentlemen who run steam boats down the north shore of the St. Lawrence?

Mr. CASGRAIN: The man who founded Clark City about twenty-five or thirty years ago was the uncle of the men who operate the steamship company and who own the Gulf of St. Lawrence Paper Company, Limited. The company at Clark City and the Anglo-Canadian Pulp and Paper Company, I may say, are financed by English capital furnished by the Rothermere interests in England, who own one of the largest newspaper concerns in the old country.

Mr. MANION: Are the Clarks who run the steamship line interested in this?

Mr. CASGRAIN: No, it is a different company.

Mr. MANION: But are they interested in this?

Mr. CASGRAIN: I do not think so.

Mr. POULIOT: But both gave their name to the city and the steamship company. I think the chief whip has made a very good defence of the item for the member for Charlevoix-Saguenay (Mr. Casgrain).

Mr. MANION: "Defence" is a good word.

Sir GEORGE PERLEY: Are there any operations going on there at present; are they making paper now?

Mr. CASGRAIN: At the present time these people cannot start to operate and cannot fulfil their contract with the provincial government, and no work can be carried on in that district until this wharf is built. In the course of a few months or a year there will be a town located there, but at present it is a wilderness with rocks, cliffs, mountains, hills and forest. Last summer the townsite was cleared up and laid out by a company under the control of these two companies; much of that work has been done, and I remember being told by some of the officers of these two companies that during last summer between 300 and 400 people were employed on this work.

Mr. MANION: How many men do they expect to employ in the paper mill, and when do they expect to turn out paper?

Mr. CASGRAIN: I cannot very well give that information but it must be in the hands of the minister, because when these people applied for this work I think they deposited with the minister a copy of the contract with the provincial government. The provincial government called upon these companies to start work within a given period, and they will turn out the finished product in the province of Quebec.

Sir GEORGE PERLEY: Taking into consideration the present condition of the paper trade does not my hon. friend think it would be just as well if this company did not start work too soon?

Mr. CASGRAIN: I believe that question was discussed last year. Hon. members will recall that a few years ago, I think in 1927, an amount of $100,000 was placed in the estimates in order to start the work that year, but the following year that item was dropped because at that time there seemed to be some unsettlement in the pulp and paper business. Since then pressure has been brought to bear on these two companies to proceed with the work, and those interested in the pulp and paper industry are satisfied that work may be started now, because it is hoped that in the very near future the situation to which my hon. friend has referred will be adjusted.

Mr. SHORT: It was only last year, I think, that a similar amount was in the estimates for another paper concern down in Anticosti, in this same constituency. This seems to be a pretty large amount for this government to be giving a private concern. We might build pulp mills all over the country if we could get the government to contribute $200,000, $300,000 or $400,000 in order to start things going. It is almost impossible for us in the maritime provinces to get grants in order to carry on our general business and to repair the breakwaters and piers which we aleady have, but it is nothing for the province of Quebec to get $275,000 or $300,000 for the assistance of some pulp mill. If this pulp mill has received such wonderful concessions from the provincial government of Quebec, it seems to me it should be in a position to build its own wharf.

Mr. ADSHEAD: Will this be a company town, in the ordinary sense of the word?

Mr. CASGRAIN: No, it is going to be a public town and is to be called Taschereau. It will be built and operated under the act which regulates such townships and municipalities in the province of Quebec.

Mr. POULIOT: Now I have the secret of the grants and concessions that have been made by the Quebec provincial government. These Americans came to the government and said, "We want this and that, and we will give the name of the Premier to the town we intend to build." So then the Premier said, "Carried; you may have it." I think these people showed great ability in securing what they requested; they were very keen and very astute in getting these privileges from the province of Quebec. I have not a word of criticism for the chief whip of the Liberal party, nor do I suggest that he should not get a substantial amount of money for these improvements.

Mr. CASGRAIN: I do not get it personally; my people will enjoy the privileges.

Mr. POULIOT: I never thought my hon. friend was to do the dredging himself, but I am sure it will be for the benefit of his constituents. I am not so narrow minded as to ask these people to change the name of the town, but that gives me the answer to the whole problem. I should not have spoken on this item at all if some mention had not been made of grants by the provincial government. I think we should be very careful, not in the amounts which are asked for by my hon. friend from Charlevoix-Saguenay, but in connection with these contracts which are entered into by the Quebec government with foreigners. It seems to me that when a foreigner comes to the Quebec government for a grant he has a greater chance of getting it than a native son of Canada would have. That is why I bring this matter to the attention of the committee. I am not criticizing the item; I think my hon. friend has done right in looking after his constituents and trying to improve conditions in his constituency, but I think in future the department should be very careful in any assistance it may give to companies having contracts with the Quebec government.

Mr. BOYS: Am I correct in my understanding that the contract was completed in 1927?

Mr. ELLIOTT: No.

Mr. BOYS: I thought the minister gave the date as 1927.

Mr. ELLIOTT: No, 1929.

Mr. BOYS: At page 36 of the estimates for 1929, I find the sum of $100,000 for this purpose. Then I turn to the estimates for the following year and find that for some reason the item disappeared entirely. Then when I turn to the estimates for this year I find that the item reappears, together with a reference to a vote in 1929-30. I suppose that must have come out of the general appropriation. As far as I can tell from the estimates which I have here the vote first appeared at page 36 of the items for 1929.

Mr. ELLIOTT: No, I think my hon. friend is wrong about the year. Last year would be 1929; we call these the 1930 estimates.

Mr. BOYS: I may be wrong as to when it first appeared, but I think I am right with respect to the year I stated. I then find that in the following year this item is not in the estimates at all, but in the estimates for this year we find a revote of $50,000, which seems to indicate that they must have had some money from somewhere.

Mr. CASGRAIN: It was in the supplementary estimates of last year. It was in the estimates of 1927 but was dropped the following year, and was only placed in the supplementary estimates at the end of last session.

Mr. BOYS: Do I understand that a contract was entered into between the Public Works department and some contractor and that, pursuant to the contract, contributions were to be made by these two companies, or was the contract between two other parties with contributions from the Department of Public Works? No matter how the contract was made I should like to find out from the minister to what exent the two companies in question have put up cash in connection with the work, up to the present time.

Mr. ELLIOTT: I think perhaps what causes confusion is the practice of referring to the estimates of the year before last as the 1929 estimates. We usually refer to the estimates now under consideration as those for 1930; last year's estimates were for 1929 and those of the previous year were the 1928 estimates. The item appeared in the estimates of 1928.

Mr. BOYS: In order to make it clear, I am merely taking the year which appears upon the estimates themselves. The estimates which I am calling the 1929 estimates are for the fiscal year ending March 31, 1929. Then we have the estimates for 1930, and I have already said that nothing appeared in the main estimates for that year.

[Mr. Elliott.]

Mr. ELLIOTT: As has been explained by the hon. gentlemen who have spoken, this item first appeared in the estimates for 1927-28. Since there was a slowing up in the business the work was not proceeded with and the item was dropped from the main estimates of 1928-29, but an item was placed in the supplementary estimates. That was the item amounting to $100,000. The contract was only to be entered into by the Department of Public Works upon the assurance that the work which was contemplated, which was a very large work, would go on. When the department became satisfied of that fact, they took bonds from the companies which are to contribute as a guarantee of payment, and then let the contract for the work. In answer to the hon. member who asked with regard to the amount of freight which would be handled on this wharf, I think it would be interesting for the house to know that the incoming freight is estimated as follows:

Material for production of 19,000 tons sulphite and ground wood pulp, including sulphur, coal, limestone, stores, repairs, et cetera, to the value of $1,000,000.

Provisions, materials, tools, and equipment for cutting and preparing 300,000 cords of wood, to the value of $2,200,000.

Provisions and general supplies for a population estimated to be from 10,000 to 15,000 when operations have commenced, to the value of $1,250,000. That makes a total of $4,450,000 for the incoming freight.

The combined total of the incoming and outgoing freight is estimated to be valued at $9,080,000. It should be borne in mind that these estimates are made upon the present plans, but both companies have increased production in mind as soon as other plans have been consummated. Of course, the condition of the industry since this item was first inserted in the estimates has not been as favourable as present prospects indicate.

Mr. BOYS: What cash contribution has been made by these companies? These estimates are very interesting, and I do not want to be considered as criticizing this item—I do not know enough about it either to approve of or criticize it—but it is asked that a quarter of a million dollars be voted and we should have very complete information. I think the minister should give us some information as to what these companies are to do, and what they have done. His information as to the probable business is all very interesting and may be quite true, but I remember well some information which was given to us regarding Belle River. It was contended that wonderful

business would ensue at that point, but the whole thing has been discarded and the money was thrown away and wasted. I do not say that this vote will be wasted but perhaps we have been taught a lesson, and we should be a little careful after voting $130,000 in the other instance.

Mr. ELLIOTT: The reason I did not go into the details which I have here, and which cover many pages, was because the whole matter had been discussed in the house when the estimate was first inserted. As my hon. friend has said, there is a contract entered into with the Quebec government by which the companies agreed to make these expenditures and to employ a certain number of hands.

Mr. BOYS: That is between the companies and the Quebec government?

Mr. ELLIOTT: Between the companies and the Quebec government. That contract has been deposited with the Dominion government and bonds have been taken from the companies to guarantee the construction of the wharf. The hon. member for Cumberland wondered why it was done in this way, but I may say that the same policy has been adopted before.

Mr. SHORT: When was I shifted to Cumberland?

Mr. ELLIOTT: I should have said the hon. member for Digby-Annapolis (Mr. Short); it would be a bad thing for Digby to have my hon. friend shifted to any other part of the province. This same arrangement was made in the Brooklyn case, where the Mersey Paper Company is located and I think the same procedure was followed with the Thunder bay and the Powell river cases.

Mr. BOYS: As I understand it, the contract referred to would be one between the companies and the province of Quebec and would have to do with the concessions the companies were getting from that province, the companies in turn having to do certain things. The contract we are dealing with is the one between the Department of Public Works and this company, and I would like to know something about what these companies have undertaken. If they have agreed to pay one-third of the cost, have they paid it? It is all very well to promise these things when prospects are bright, but apparently they have not been so good lately. I am prompted by the hon. member for South Wellington (Mr. Guthrie) to ask the kind of bonds given by the company, are they guaranteed bonds or bonds of the respective companies? I am very anxious to find out how much cash has been put up by these companies in connection with this contract, for which we are asked to vote such a large sum of money.

Mr. ELLIOTT: There has been no cash put up; they put up bonds of a guarantee company.

Mr. BOYS: For the payment of their share of the costs?

Mr. ELLIOTT: Yes.

Mr. BOYS: How much cash has the department paid out already on these contracts?

Mr. ELLIOTT: The total is $75,000.

Mr. BOYS: If that is so, then we should have got $25,000 from the two companies. Why has that not been paid? What effort has been made by the department to collect, and why have they not been successful?

Mr. ELLIOTT: I cannot tell my hon. friend the amount which has been paid, but the practice is to render a bill every month for their respective shares. Where the security is so large as it is in the present case, we do not worry particularly as to whether it is paid right on the day.

Mr. BOYS: If the income tax is not paid right on the day we incur an immediate penalty, and in this particular instance, if the department is entitled to it, I do not see why it should not try to get it. Perhaps the minister could tell us how many accounts have been sent out.

Mr. ELLIOTT: I have not those details here. In a contract of over a quarter of a million dollars, the question of $75,000 is a very small part of the contract.

Mr. BOYS: It is much easier to pay when it is so small.

Mr. ELLIOTT: Much easier to pay, but a smaller risk when the security is so large.

Mr. SHORT: Is the department receiving interest?

Mr. ELLIOTT: I would not say that.

Mr. SHORT: Why not? The interest on $25,000 is a respectable amount. I was amazed at the figures given by the minister in connection with the expected traffic. They remind me of the prospectuses which are got out by some companies when they are floating these pulp mills, and I recall one in particular down in my own province.

Mr. ELLIOTT: That would be a good one, I would think.

Mr. SHORT: The facts were just as rosy as those presented by the minister, but unfortunately the wheels in the mill never turned, and this case may prove to be similar. We had an expenditure in 1928 of $300,000 at Ellis Bay, which is in the same constituency.

Mr. ADSHEAD: That was reduced to $200,000.

Mr. SHORT: In 1927-28 they spent $150,000, and $300,000 was spent in 1928-29. No wonder there are so many pulp mills in the province of Quebec. When they know they can come to this government and obtain grants such as this I can quite understand why so many mills are built in that province. I wonder when this sort of thing is going to stop. Probably there will be another one next year, because the hon. member who represents that constituency tells us that it is proposed to build two more towns down there.

Mr. CASGRAIN: The development work in those cases is being done by the companies themselves.

Mr. CANTLEY: This seems to be a rather remarkable wharf, because judging from the information given by the minister it will be about a third of a mile long. Has anything been done by the promoters referred to beyond putting out the prospectus, or has the whole thing floated in on the dew? How did they get any plant there if the deep water end of a wharf yet to be built is 1,900 feet away from the shore?

Mr. ELLIOTT: I understand the work has been proceeded with. There were 300 men working there all last year. The power development has been completed and the company has, I understand, made very substantial progress which makes it necessary that the wharf should be in shape for use this year.

Mr. MANION: Does that mean they will be producing paper this year?

Mr. ELLIOTT: No, but it is necessary to have the wharf because such an immense amount of shipping is required in connection with the construction. This is a $10,000,000 construction and they cannot get the materials, machinery and that sort of thing in there without a wharf.

Mr. MANION: Is any time limit set when the mill will be completed and in operation?

Mr. ELLIOTT: I believe it is calculated it will be producing in 1932.

Mr. CANTLEY: Is there any railway communication with this point?

Mr. ELLIOTT: No.

[Mr. Elliott.]

Mr. CANTLEY: Then I gather there cannot have been any machinery actually delivered on the site or on the plant. The wharf is not completed. There is no railway. The outer end of the wharf is 1,900 feet from the shore. It is quite evdent to any hon. member who considers the situation that there can be no machinery there. There has been no development except on paper. Is that not correct?

Mr. ELLIOTT: I do not wonder at my hon. friend coming to that conclusion because that is just what I have told him, namely, that they cannot get the machinery in until the wharf is constructed.

Mr. BOYS: Has the minister made any inquiry as to the financial standing of the companies themselves? What cash has been put up? They first go and get a concession from the province of Quebec. The next thing is the flotation of the company and the sale of bonds. When was the first demand for their share of the cost made upon the companies and how many times has that demand been made since without anything being paid up to date?

Mr. ELLIOTT: These are two companies: the Ontario Paper Company Limited and the Anglo Canadian Pulp and Paper Company.

Mr. BOYS: That means nothing in itself

Mr. ELLIOTT: They already have large mills, one at Thorold and the other at Quebec. They are well known companies of high financial standing. I have the details as to the work the companies are doing at their different places.

Mr. BOYS: To my mind the minister has just given us the most valuable information we have had so far in regard to this item. Assuming that to be correct, one is prompted to inquire, if they are strong companies with large assets, why in the world have they not paid the $25,000 apparently demanded more than once by the government?

Mr. ELLIOTT: It has only been very recently earned and I am not sure that it has not been paid. I am not aware of its having been.

Mr. BOYS: I thought the minister said the practice was to send these accounts out once a month.

Mr. ELLIOTT: That is the practice.

Mr. BOYS: I thought he was dealing with this item and I presumed the account had been rendered. Therefore I wondered, if they are strong companies, why the amount had not been paid.

Mr. ELLIOTT: I was only saying it was the practice of the department to render the accounts once a month to any contributing company so that they would know, according to the engineers' estimate, what amount had been earned when they were checking up on the contract. I cannot tell my hon. friend whether or not they have paid. The work is really just well under way. Whether any part of their contribution of $25,000 has been paid, I am not in a position to say, but I shall be glad to find out.

Mr. BOYS: The minister has already told us, but the information may have been given without consulting the record. He informed the committee that no portion had been received.

Mr. ELLIOTT: I did not.

Mr. BOYS: Well, we will pass that up. We ought to know that.

Mr. ELLIOTT: I shall be glad to get the information.

Mr. BOYS: While these are probably substantial companies, this savours in some respects of Belle River. We have a wharf 1,900 feet long. What is the depth of water at the end of it? At Belle River we had to go out further to get five feet of water.

Mr. ELLIOTT: Twenty-five feet at low water. Since the discussion started I have been informed that they have already paid $18,810.

Mr. BOYS: If we had known that sooner, quite a lot of this discussion might have been avoided.

Mr. CANTLEY: Who are the contractors? Are they doctors or dentists?

Mr. MANION: Or lawyers?

Mr. ELLIOTT: The latter would probably be the best. They are Farley & Grant, and Cummins & Robinson, Ottawa.

Item agreed to.

Montebello wharf reconstruction, $10,000.

Sir GEORGE PERLEY: This is the place where there is to be a large club which is in favour with the Canadian Pacific Railway and which has acquired a territory in and around Montebello for the purpose of developing the fishing and so on. Will the minister give us some of the facts regarding that project? I suppose this wharf is for the purpose of assisting in that development?

Mr. ELLIOTT: It has nothing whatever to do with that development. It is to reconstruct the landing head 90 feet by 40 feet in crib work construction from the low water line up, rebuild the wooden approach, raise the whole structure a height of two feet and construct a new two-storey freight shed.

Mr. MANION: In view of the fact that there is going to be a sort of summer club at that point, and no doubt many United States visitors are to be invited to go there, might it not be possible to use the dock and freight shed when they are constructed, for storing wet goods?

Mr. ELLIOTT: I shall be glad to make inquiry and if the facilities can be provided there—

Mr. MANION: We might go down there together.

Mr. ELLIOTT: I would even consider that. To be quite serious about the matter, this is for the purpose of repairing an old structure damaged by an ice shove in the spring of 1928.

Sir GEORGE PERLEY: Is it a wooden wharf?

Mr. ELLIOTT: Yes.

Item agreed to.

Norton creek dredging—the provincial government to contribute a like amount, $3,000.

Sir GEORGE PERLEY: I notice the amount is very much less than it was last year.

Mr. ELLIOTT: It is just finishing up the work.

Sir GEORGE PERLEY: I am glad to hear that. Can the minister undertake that no further money will be inserted in the estimates for the purpose of blasting the bed of this rocky creek in order that it may act as a drain for the surrounding country?

Mr. ELLIOTT: This finishes the work presently contemplated. I would not like to undertake that this would be the final amount. This is an old story. It started away back in 1912-13, as my hon. friend knows, and it has been a bone of contention every once in a while. I quite agree with him that unless these works, as a general rule, can be connected up in some way with some work the Dominion government has done, we should be careful about entering upon them.

Sir GEORGE PERLEY: I know the minister agrees with me that an expenditure for this particular purpose ought not to be undertaken. The Dominion government should not spend money for local drainage purposes. This amount will finish the contract, I understand. The minister says that the government

should be very careful about expenditures of this kind. I would go further and say that the government should not spend money for this purpose at all, and I would ask the minister to use his great influence with the government to see that it is not done any more.

Mr. ELLIOTT: After we have been doing it all these years, it is pretty difficult to say that we are going to stop the practice absolutely. Each case must be decided on its merits.

Sir GEORGE PERLEY: Political merits?

Mr. ELLIOTT: No. This is something for which the Dominion government, it is claimed, is responsible. That is the main ground of the claim.

Item agreed to.

Norway Bay—wharf reconstruction—to complete, $5,000.

Mr. CARMICHAEL: May I ask the minister what has been done and what is required to be done in connection with this work?

Mr. ELLIOTT: This is to complete the reconstruction of the wharf by rebuilding four cribs in the approach and one crib in the landing head. We spent last year $5,557, and it is estimated that $6,000 will complete the work. The report from the engineer is that part of the landing head of this wharf was built on piles, and considerable damage was done to a portion of the structure by ice. In order to prevent any further damage, a crib will have to be built next year to replace the pilework in the upstream part of the landing head.

Mr. CARMICHAEL: Just what use is made of this wharf?

Mr. ELLIOTT: The engineers report contains this clause:

The above work is required to keep the wharf in a good state of repair for the accommodation of a very large tourist traffic during the summer months. The traffic between Norway Bay and Sand Point over the ferry is fairly heavy. There are two mails daily to and from Sand Point, Ontario, and the structure has to be kept in a safe condition.

Mr. CARMICHAEL: This happens to be the only one item in almost three pages of expenditures for the province of Quebec with which I am acquainted. I have heard recently that there is a possibility of this summer resort being flooded by some power project that is under way and is likely to be proceeded with this summer. Has the minister any information on that point?

[Sir George Perley.]

Mr. ELLIOTT: My information is that as a result of the work at Chats falls, there will be flooding to some extent at Norway Bay, but, of course, that will have to be compensated for as part of the cost of the Chats falls project.

Mr. CARMICHAEL: In view of that, it seems rather strange to be going on with this expenditure. In 1928-29 there was $5,000 in the estimates, in 1929-30, $6,000, and this year an additional $5,000 for a small wharf at a place where there is absolutely no business with the exception of four or five months in the summer, and that only by ferry to Sand Point. If this summer resort is going to be flooded this summer and the wharf made useless, why continue making this expenditure.

Mr. ELLIOTT: If my hon. friend is under the impression that it is only a small wharf, his information is incorrect. It is an extensive wharf about 700 feet long.

Mr. CARMICHAEL: I have been up there several times.

Mr. ELLIOTT: I am not disputing that. It is quite an extensive wharf and accommodates a very large tourist traffic. According to the engineer's report, some 1,500 automobiles and 8,000 passengers use this wharf annually, ferrying to and from the Ontario side of the Ottawa river.

Mr. CARMICHAEL: That does not clear up the point with regard to flooding.

Mr. ELLIOTT: I am sorry I neglected to answer that part of my hon. friend's question. I understand the flooding, whatever there will be from the Chats falls project, will not render unnecessary the keeping in repair of this wharf. It is not going to be put out of business.

Mr. ADSHEAD: Will the flooding make the wharf inaccessible at times?

Mr. ELLIOTT: Oh, no.

Item agreed to.

Petit Cap—breakwater, $31,000.

Sir GEORGE PERLEY: Will this amount finish the work?

Mr. ELLIOTT: This is to complete the contract with Charles A. Nadeau for the construction of the breakwater.

Item agreed to.

Rimouski — harbour improvements — The Foundation Maritime Ltd. to contribute one-third of the cost of pier extension, $75,000.

Mr. SHORT: Would the minister give us some information with respect to this item? It is only one of a number of items where a private corporation contributes one-third of the cost.

Mr. BOYS: I see the member for Rimouski (Sir Eugene Fiset) is here to explain it.

Mr. ELLIOTT: This amount is required towards improvement to the wharf at Rimouski to provide facilities for the development of this harbour as the base of operations for the salvage and construction of vessels engaged in the gulf and river St. Lawrence by the Foundation Maritime Ltd. This company has purchased property here and is proceeding to install plant and equipment at an immediate cost of $200,000. They will centre at Rimouski floating plant having a value of $300,000, and will undertake repair work on plants on the north shore or vessels trading up and down the St. Lawrence at a considerable saving in time to vessels or plant needing repair, which would otherwise have to ship parts to Quebec.

This undertaking will give employment to about 100 men to commence with, and more later, and will promote and increase the welfare of a considerable region around Rimouski.

Mr. BOYS: When was the company incorporated?

Mr. ELLIOTT: It as an old company, I understand.

Mr. SHORT: Is it the policy of this government to contribute two-thirds of the cost to any private corporation that comes along and is doing a salvage business or any other kind of marine or plup business? There are salvage companies in the St. Lawrence which are heavily subsidized every year. In our part of the country these companies get no subsidies at all. They have to find their own plant and equipment. Why does this government contribute $75,000 to a corporation like the Foundation Maritime Ltd., which is a large corporation? They get contracts down in our part of the country. Perhaps the hon. member for Rimouski may be more familiar with the situation than the minister and may be able to throw some light on it.

Sir EUGENE FISET: I have no hesitation whatever in explaining to my hon. friend the real object of this vote. The Shipping Federation of Canada, four or five years ago, approached the chamber of commerce and town council of Rimouski, asking if they would in any way help to establish in the lower St. Lawrence a wrecking plant in order to undertake salvage work and assist the shipping that is carried on between Quebec and the lower St. Lawrence. The company took the trouble to examine sites. They went as far down as Matane, then finally decided on Rimouski as the best location. I might add that the vote asked for at the present time is not for the wrecking corporation, but for an extension to the wharf at Rimouski in order to complete the inner harbour and provide shelter on the west side of the harbour. This work has been asked for, during the last four years, in the public interest. This amount is required to complete the work that was undertaken a few years ago. The Foundation Maritime Ltd. are being asked to contribute part of the cost of the construction of the wharf in order to compensate the public for the space that they will occupy, and I think that is only just.

Mr. BLACK (Halifax): How many public wharves are there in Rimouski? Here is one item of $75,000, and the next item is for $10,000 for wharf repairs at Rimouski. How many public wharves are there in Rimouski —half a dozen?

Sir EUGENE FISET: There is only one. The $10,000 is required for ordinary repairs. This wharf is a mile and a quarter long. It has to be repaired yearly. The $75,000 is for additional work to complete a wing on the west side in order to give protection to vessels that come on that side of the wharf.

Mr. BLACK (Halifax): In my judgment there is no more necessity or justification for this expenditure than there would be for putting a pier out into the river behind this building.

Sir EUGENE FISET: That may be your opinion.

Mr. BLACK (Halifax): It is not in the public interest at all. What is the minister's policy in regard to these wrecking and similar companies? Down in our province, as the hon. member for Digby-Annapolis (Mr. Short) has said, we do that kind of work according to business principles: the company is organized and secures its plant, Although we applied to this parliament for assistance a short time ago we were turned down, and yet you can subsidize wrecking companies in the St. Lawrence—as many as come along and ask for assistance. What is the policy of the government in regard to these companies? Why are not similar companies in the maritime provinces subsidized in the same way?

Mr. ELLIOTT: I am rather surprised to hear my hon. friend's statement in view of

what was done in Sheet Harbour, right in his own riding, to assist the Anglo Canadian Pulp and Paper Company. My hon. friend knows perfectly well that we did the dredging there and the company received the benefit. I thought I had made it clear to my other hon. friend that this was an improvement to the wharf at Rimouski, and the contribution is being made to us. My hon. friend spoke of it as a contribution made by us to these people to build the wharf.

Mr. MANION: Not a political contribution?

Mr. SHORT: If it is a public wharf wholly in the public interest, why accept a third of the cost from a private company?

Sir EUGENE FISET: I would be quite willing to strike it off if the minister would consent.

Mr. SHORT: They must be greatly interested in it in some way.

Mr. ELLIOTT: No, they are doing a big business there, which is of considerable benefit to the shipping interests.

Mr. SHORT: And they are getting well subsidized for it.

Mr. ELLIOTT: Perhaps my hon. friend would subside for a moment. They are anxious to have facilities at the wharf and are willing to contribute towards the cost. It seems to me an excellent agreement.

Mr. BOYS: This is a yearly friend. It appears in 1929 for $14,200, in 1930 for $11,000 and again this year for $10,000 more. I may now be referring to the item which immediately follows the $75,000 item. Why in the world is this annual expenditure necessary? It seems to be an expensive wharf to appear every year. Is there some special reason for it?

Mr. ELLIOTT: Yes, if my hon. friend knows Rimouski at all he must be aware that the wharf is just half a mile long, and that different governments in the past have spent over $1,600,000 on it. Some part of it will in all probability require repairs every year.

Mr. CANTLEY: I do not think there is any justification at all for this vote. Why should we subsidize this concern? We have already subsidized a wrecking company up the St. Lawrence river. As to maintaining the wharf at Rimouski, which the minister states is about half a mile in length or more, if he went down the coast to Bic, a little below—

Mr. ELLIOTT: And abandon this wharf?

[Mr. Elliott.]

Mr. CANTLEY: Yes.

Mr. ELLIOTT: After spending more than $1,600,000 on it?

Mr. CANTLEY: Yes, certainly. Has he considered the annual expenditure which he has referred to? Has he considered that phase of the question?

Mr. ELLIOTT: No.

Mr. CANTLEY: Why does he tie up this salvage company with this wharf? If they want a wharf for their purpose let them build one themselves.

Mr. POULIOT: I know a wharf below Quebec at a point called Trois Saumons that has been abandoned. It was not a public wharf, it was built by the Price Company. It is the only wharf that has been abandoned in eastern Quebec so far as I know.

Mr. McGIBBON: I quite agree with you.

Mr. POULIOT: Thank you.

Some hon. MEMBERS: Carried.

Mr. CANTLEY: No, we are not going to carry it for a while yet. I know the wharf in question, I have embarked and disembarked at it half a dozen times or more. A large vessel cannot get within a very considerable distance of the wharf now, and never could.

Sir EUGENE FISET: I am afraid my hon. friend is not aware that within the last three years a channel seventeen feet at low tide and twenty-two feet at high tide has been dredged.

Mr. CANTLEY: Did any Atlantic liner ever moor at the wharf or venture to do so?

Sir EUGENE FISET: Can any Atlantic liner moor at any port on the lower St. Lawrence on the south shore? Name me one.

Mr. CANTLEY: We have been maintaining an expensive tender service there for the last thirty years simply because the wharf is in the wrong place.

Sir EUGENE FISET: I am afraid that again my hon. friend is wrong. The tender operated at Father Point is operated for three departments of the government, the defence, customs and post office, and the only shelter they have in a northeast gale is the Rimouski wharf. Ask any department of the crown to abandon the Rimouski wharf and see what answer you will get.

Mr. BLACK (Halifax): Has the hon. gentleman had any negotiation with the minister with regard to the dredging after they get

this wharf built? If I understand rightly, even vessels of reasonable size cannot approach the wharf and there will be another vote next year for dredging.

Sir EUGENE FISET: This is for completion of the work, $75,000.

Mr. CANTLEY: The fact of the matter is that no further money should be spent on this wharf. The work of disembarking passengers and mails should be done down at Bic. In proof of that statement I would say that four-fifths of the vessels going down discharge their pilots at Bic rather than at Rimouski.

Sir EUGENE FISET: Again my hon. friend is mistaken. Bic was abandoned over fifteen years ago.

Mr. CANTLEY: You do not know anything about it.

Item agreed to.

Rimouski—wharf repairs, $10,000.

Mr. SHORT: Is this the same wharf?

Mr. ELLIOTT: Yes.

Mr. SHORT: The Foundation Maritime Co. do not contribute anything, they do not use this section of it?

Mr. ELLIOTT: No.

Mr. SHORT: I see.

Item agreed to.

Riviere au Tonnerre—wharf, $110,000.

Mr. MANION: What is that for?

Mr. ELLIOTT: This is required to complete the contract with Joseph Gagnon for the construction of a wharf composed of an approach of the pier and bridge type 675 feet in length by 16 feet in width and an open faced cribwork headlock 425 feet in length by 30 feet in width and having a height at the outer end of 35 feet with 20 feet of water at low tide.

Mr. MANION: What is the total of the contract?

Mr. ELLIOTT: The total is $127,132.

Mr. MANION: Is this to complete the wharf, or will there be further expenditure?

Mr. ELLIOTT: This is to complete it.

Mr. MANION: This is a new wharf, is it?

Mr. ELLIOTT: Yes.

Mr. POULIOT: What constituency is this in, Mr. Chairman?

Mr. ELLIOTT: This is in Charlevoix-Saguenay.

Item agreed to.

Riviere au Renard—wharf extension and repairs, $49,500.

Mr. MANION: What constituency is this in?

Mr. ELLIOTT: Gaspé.

Mr. MANION: I just wondered whether it was in Charlevoix-Saguenay.

Mr. CASGRAIN: I cannot control them all.

Mr. MANION: That is too bad.

Mr. SHORT: You must be anticipating difficulty in the next election in your constituency.

Mr. CASGRAIN: No, the constituency is growing owing to the great prosperity there.

Item agreed to.

Riviere des Prairies—improvements, $73,000.

Sir GEORGE PERLEY: The minister might give us some explanation of this item. Is it for navigation or what?

Mr. ELLIOTT: This amount is required to complete the contract for deepening the channel in this river. These improvements are required towards the restoration of navigation in Riviere des Prairies by providing a twelve-foot channel from Bout de I'lle to the village of Riviere des Prairies and the construction of a wharf at the village.

Sir GEORGE PERLEY: What is the business that will be done when this channel is completed?

Mr. ELLIOTT: This will give access by water to the largest stone quarries in the district and will result in a saving of over one dollar per ton on the stone used in the Montreal district and along the south shore of the St. Lawrence. Approximately 400,000 tons of stone are shipped to Montreal, and 100,000 tons outside of Montreal. It is expected that new quarries will open up and that private wharves will be constructed on both sides of this river. It will be possible to bring coal to this district by water at a saving of 70 cents per ton, and a substantial saving will be effected on other commodities. Eventually this river will provide means of transportation for all the goods, agricultural and industrial, coming from the counties of Maisonneuve, Laval, Two Mountains and Terrebonne to Montreal.

Sir GEORGE PERLEY: I take it these quarries are privately owned?

Mr. ELLIOTT: I think so.

Sir GEORGE PERLEY: Do you know who owns the quarries?

Mr. ELLIOTT: No, I do not.

Sir GEORGE PERLEY: Is there any guarantee that this one dollar per ton will not be absorbed by the owners of the quarries, who may sell their stone at the same price? Is there any guarantee that the public will get any benefit from these expenditures of money?

Mr. ELLIOTT: The statement indicates that this amount will be saved.

Sir GEORGE PERLEY: To the owners of the quarry or to the public?

Mr. ELLIOTT: To the public; to the users of stone.

Sir GEORGE PERLEY: Has the minister any report which would warrant him in stating to this house that the public will save one dollar per ton on this stone?

Mr. ELLIOTT: Well, the cheaper you make transportation the less the user of the commodity will have to pay.

Sir GEORGE PERLEY: I presume the city of Montreal brings stone from a great many places, and that there are several firms who compete for the market. If this stone costs one dollar less to get into Montreal I cannot see why, unless there is some agreement or arrangement, they cannot continue to get the same price and absorb the dollar saving themselves. The minister has not yet made any case showing that this is for the public benefit.

Mr. ELLIOTT: If the stone now costs a certain amount in Montreal, and if a dollar a ton can be saved by water transportation I should think it fairly evident that the cost to the user of the stone will be less.

Sir GEORGE PERLEY: I suppose these people do not supply all the stone that goes into Montreal. The price of the stone in Montreal must be made by the competitors who ship from various places. I take it this is only one of the sources of supply, and we have been told many times that the price of wheat is set in Liverpool for different parts of the world. If the price of stone in Montreal stays where it is now these people must be more than human if they sell their stone for less than they are getting at present.

Mr. ELLIOTT: In view of my hon. friend's wide business experience, and in view of the fact that he has already suggested that there are other competitors in the stone market of Montreal, does it not suggest itself that if these men can now compete there after paying railway freight, with the cost of transportation reduced one dollar a ton naturally they will lower their price in order to sell more stone. It should bring all the prices down.

Sir GEORGE PERLEY: I am not prepared to admit that at all. I should like to know what companies in this district produce stone; how much stone they send to Montreal from that particular section, and the names of the companies.

Mr. ELLIOTT: I doubt very much if I have the names of the companies, but I have the statement that these are the largest stone quarries in that district.

Mr. RYCKMAN: What are the names of the companies? The minister says he cannot give the full personnel but surely he knows some of them.

Mr. ELLIOTT: No, I do not.

Mr. RYCKMAN: Does the minister say he does not know the name of a single individual interested in these quarries?

Mr. ELLIOTT: No, I do not.

Item agreed to.

Ste. Anne des Monts—wharf repairs, $35,000.

Mr. MANION: In what constituency is this?

Mr. ELLIOTT: Gaspe.

Mr. SHORT: Will this complete the work?

Mr. ELLIOTT: This amount is required for the construction of a crib along the west side of the present wharf from the outer end in towards shore, for a length of 300 feet. The district engineer reported on November 8, 1929, that this wharf was considerably damaged near the outer end by storms and that the damage was due to the action of worms which had eaten the lower timbers at the outer end of the crib, weakening the timbers and allowing the storms and heavy seas to loosen and carry them away. The traffic over this structure is quite heavy and amounts to some $600,000 annually.

Item agreed to.

Ste. Anne de Sorel—reconstruction of icebreakers, $10,000.

Mr. MANION: Is this item for icebreakers in the form of ships?

Mr. ELLIOTT: No, these are piers.

Item agreed to.

St. Antoine de Tilly—dredging, $57,000.

Sir GEORGE PERLEY: Where is this?

Mr. ELLIOTT: This is in Lotbiniere.

Sir GEORGE PERLEY: Will this amount complete the work or, if not, how much will it cost?

Mr. ELLIOTT: This completes both the contracts.

Item agreed to.

Ste. Petronille—wharf repairs and improvements, $14,000.

Mr. MANION: Will the minister give us an explanation of this item?

Mr. ELLIOTT: This amount is required to provide for the contract with Ludger Lemieux, Limited, for repairs and improvements to the wharf at Ste. Petronille. This work was requested by the district engineer in his annual estimates and is required to complete the reconstruction of this wharf which was commenced in 1928-29.

Item agreed to.

St. Simeon de Bonaventure—rebuilding protection work, $1,500.

Mr. MANION: What constituency is that in?

Mr. ELLIOTT: Bonaventure.

Mr. PECK: In connection with these small items which are provided for in the estimates, is the work to be done by contract or by day labour?

Mr. ELLIOTT: We do as many as we can by contract, but many of the smaller ones are done by day labour.

Mr. PECK: Would those cases represent two-thirds of the items?

Mr. ELLIOTT: In number but not in amount.

Item agreed to.

Ontario—Harbours and rivers—Cobourg—harbour improvements, $100,000.

Mr. MANION: I think we should have some information about this item.

Mr. ELLIOTT: This amount is required towards the following harbour improvements: Reconstruction of north or esplanade dock which has been in a dilapidated condition for a number of years; the substructure to be cribwork and the superstructure to be five feet wide on top, total length 786 feet, $130,000, of which $40,000 is a revote from last year. Maintenance dredging between the outer ends of the entrance piers to a depth of 22 feet, 33,340 cubic yards at 48 cents scow measure,

Mr. McGIBBON: Will the minister tell us the nature of the business carried on at this point?

Mr. ELLIOTT: The engineer's report states:

This wharf has been previously reported on and as a result of an examination made a few days ago, I would state that the reconstruction of the superstructure is imperative if this section of the harbour is to be utilized by vessels.

The esplanade is owned by the town of Cobourg and when in good condition is extensively used by the passengers going to and returning from the car ferries. The number of passengers averages about 300 per day during the summer months.

In time of storm on lake Ontario, vessels in shelter in Cobourg harbour tie up to the esplanade wharf and the car ferries also make use of it as a tying up place when not in use.

Mr. MAYBEE: Is it the intention to provide for a depth of 22 feet?

Mr. ELLIOTT: Yes.

Mr. MAYBEE: Is it expected that this amount will complete the work?

Mr. ELLIOTT: No.

Mr. MAYBEE: Have any contracts been let or tenders called for?

Mr. ELLIOTT: The estimated cost is about $146,000.

Mr. MAYBEE: Have any contracts been let or tenders called for?

Mr. ELLIOTT: Tenders have been called for but no contract has been let.

Mr. MAYBEE: When are they to be received?

Mr. ELLIOTT: The tenders are in.

Mr. GEARY: How was the work done last year—by contract?

Mr. ELLIOTT: It was done by contract by Messrs. Hardy & Grant.

Item agreed to.

Collingwood—harbour improvements, $160,000.

Mr. MANION: Could we have some explanation of this item? I am anxious to know how the member representing that constituency got it in.

Mr. BOYS: Would the minister like me to assist him in that connection?

Mr. ELLIOTT: This case was so meritorious that I hardly expect I will need even the assistance of my hon. friend, but I will be very glad to have it.

Mr. BOYS: We are now dealing with a harbour of national importance, and one which has been an outstanding harbour for at least half a century.

Sir EUGENE FISET: Like Rimouski.

Mr. BOYS: I have only one criticism to offer in connection with this item, and that is that it should be $300,000 instead of $160,000.

Mr. ELLIOTT: I think all expenditures when judged by the test of the opinion of the man who is on the ground will be considered as being too small. All the representations received by the department for these places, like Rimouski, are that a larger amount should be spent.

Mr. BOYS: This is not one of those perennial items.

Item agreed to.

Footes Bay—wharf construction and enlargement, $13,000.

Mr. GUTHRIE: What constituency is this place in?

Mr. ELLIOTT: Muskoka-Ontario.

Mr. McGIBBON: I do not think this item should be criticized when we consider the meagre allotment made by the government to Muskoka, one of the greatest tourist countries in the world. I think we have been overlooked, especially when compared with Rimouski.

Item agreed to.

Hoople creek—contribution to the municipality of the township of Osnabruck towards dredging Hoople creek, the provincial government and the municipality to share in the cost, $18,000.

Mr. GUTHRIE: Is this another creek to be dredged out?

Mr. ELLIOTT: This is similar to the other items.

Mr. GUTHRIE: Let us have the report on this item.

Mr. SHORT: Where is it?

Mr. ELLIOTT: It is in the county of Stormont. This item is to cover 20 per cent of the total estimated cost of the work, which is the basis of similar grants made by the Dominion government for work of this nature.

Mr. BOYS: This item opens up a wide field for discussion, and I would like to ascertain the policy of the department in this connection. In my own county we have very serious trouble in connection with the Nottawasaga river which drains practically the whole of the county of Simcoe. It would be very desirable if some expenditure could be made there which would improve thousands of acres of land, and if there is any way in which we can obtain a little assistance from the public treasury we might think of going after it. Will the minister tell the committee what the policy of the department is in this connection?

Mr. ELLIOTT: Similar contributions have been made in connection with Norton creek and other cases to which reference has been made. This practice is resorted to only when the burden is so great that assistance seems to be justified.

Mr. BOYS: This work is being done for the drainage of land, and that is all.

Mr. ELLIOTT: It will assist the drainage very materially.

Mr. BOYS: It has nothing to do with navigation, not even for motor boats?

Mr. ELLIOTT: Not at the present time.

Mr. BOYS: Supposing a deserving case is brought to the attention of the department where with the spring freshets there is constant flooding, is it the definite policy of the department to make a substantial grant?

Mr. ELLIOTT: To say that it obtains throughout Canada is a rather broad statement. It has obtained for many years in a number of places. It dates back to shortly after confederation. The difficulty is that in the vicinity either some work is done which it is claimed has affected the drainage or some other work of a similar nature has been done to which the government has made a contribution in the past, and perhaps where the hardship is greater in the particular case than in almost any others, the contribution may be made. That, I think, is about the policy. Every case stands on its own footing.

Mr. BOYS: I must confess I cannot gather any definite policy from that, and that is really what I should like to get. May I definitely state the situation which we have in Simcoe county and then perhaps the minister can tell me whether or not the department would be willing to consider an appropriation in that connection? The Nottawasaga river drains the whole county and a little more. It flows into Georgian bay. At one particular part which is locally known as "the neck of the bottle"—that is not at all significant—the banks are very high and the channel is narrow. When the spring freshets occur, the water is held back and floods the land to a depth of twelve to fourteen feet, causing considerable damage. It seems to be well

understood locally that if the channel could be widened, we would not have this trouble, but the cost is too great for the lands in the vicinity. Under the Drainage Act no drainage work could be undertaken which would afford the relief and which would not cost too much for the lands to bear. I have no doubt the provincial government would assist in the work and if it is the policy of the department to aid in work of that kind, I am of opinion that with the aid of the department and the provincial government, the lands in question bearing their fair share of the cost, the work might well be undertaken. Tremendous benefit would undoubtedly result from it. This is a concrete case I put to the minister. It is foreign to the item, it is true, but if in this particular case a grant is being made for work of that kind, it would encourage me as long as I represent any part of the county of Simcoe to come to the department and ask for assistance in such a work which is of great magnitude and one of which would warrant the sympathetic consideration of the department if it is their policy to aid in work of that character.

Mr. ELLIOTT: Of course it is pretty hard to give even an intimation of what might take place until you know all the circumstances. What is the area?

Mr. BOYS: Thousands of acres. I do not mean for a moment to leave the impression that it is all waste land. It is not. All I am saying is that the land floods and great damage is caused thereby, whereas if the channel were widened, that might be avoided, if not in toto, at all events in part. I am not asking the minister to tell me whether he will give the county of Simcoe a grant of $100,000 or anything of that kind; I am not suggesting that. I am merely trying to find out whether it is the policy of the department to entertain such requests and if we assume the facts as I have outlined them are correct, whether the application could be made with some reasonable chances of success.

Mr. ELLIOTT: I would say to my hon. friend very frankly that it is not the policy of the department to encourage applications of that kind; but if applications are made, and if the circumstances bring the matter reasonably in line with some of the other grants that have been made, or if, at any time a grant has been made on that particular work or assistance given by the Dominion government for it, that forms a pretty good precedent to go by and it is difficult to refuse it particularly if the hardship is so great that the owners of those lands will have to leave them or a substantial portion of them useless unless they get some assistance. That is about the general policy which is followed.

Mr. BOYS: That statement would hardly apply to any drainage work. Take the works carried on under the provisions of the Drainage Acts in every province. There is no suggestion that if the work is not done the farmers will have to leave their lands. The point is that there is a flooded condition which interferes with the ploughing of the land, the cultivation of the soil, and so on, which condition could be improved by drainage. That is the proposition to which I am referring. If this is the policy of the department, we certainly might get the benefit of it just as well as the particular case we are dealing with, namely, Hoople creek, which for all I know is a very deserving case.

Mr. ELLIOTT: If brought within the rules of ordinary drainage, the lands can be drained and a fairly good margin left after the cost of drainage for the value of the land, I would not look upon the proposition with nearly as much favour as I would upon a case where several thousands of acres of land are so submerged by water that the ordinary cost of drainage, with the aid the province gives, is not sufficient to justify the owners of those lands embarking upon a drainage project. In that case they would have a great deal better chance than if the ordinary drainage rules applied. I cannot quite agree with what my hon. friend has said, namely, that no drainage scheme comes within that category. I have known many that have come within it. Drainage schemes are being undertaken now that years ago would not have been considered on account of the excess cost of the drainage scheme over what the lands would be worth afterwards. As land increases in value and local conditions change, frequently by a draniage scheme land can be reclaimed that would not formerly have been worth it. I do not believe in many of the cases where aid has been granted, it would have been granted if they thought the matter just came within the ordinary drainage rules, but if it is a case where a few thousand dollars may be the means of making productive land that would otherwise be unproductive, I believe that is the policy that has actuated all the governments that have given assistance.

Mr. BOYS: I am considerably encouraged by the minister's statement, and I may be prompted to communicate with him at some future date. Will he give the committee an outline of just what has prompted the de-

partment to make the grant in regard to the item under consideration? Is it a case in which lands now useless are to be brought into a state of cultivation or lands now cultivated are to be improved, or what are the facts of this particular case?

Mr. ELLIOTT: This is a large area, about 25,000 acres, in a very similar situation to the desperate position in which the people in the Beaudette district, not so far from it, found themselves a few years ago, and towards which they were granted aid. I think that is what prompted these people to come and urge their claims which were urged for some time before they were granted. I believe this land will not be utilized unless some encouragement is given.

Mr. BOYS: Is the land in question settled on now or is this to induce settlement?

Mr. ELLIOTT: I think portions of the various farms are occupied.

Mr. BOYS: Then this is just a case of relief from the spring freshets that the country suffers from? Is that the situation?

Mr. ELLIOTT: It is more than spring freshets; they are under flood a great deal of the time.

Mr. RYCKMAN: Has there been any correspondence with the provincial government over this expenditure?

Mr. ELLIOTT: No. The municipality represented that if we made this grant the provincial government would share in the cost and we are making the grant on that condition.

Mr. GARDINER: What is the total cost of this project?

Mr. ELLIOTT: $90,000.

Mr. GARDINER: Has the minister any information in regard to the water levels?

Mr. ELLIOTT: Not under my hand.

Mr. GARDINER: Is the water level pretty nearly as high as the land, or is this just a condition that occurs now and again?

Mr. RYCKMAN: Do I understand the minister to say that this amount asked for is only one-fifth of the proposed cost?

Mr. ELLIOTT: It is just a contribution.

Mr. RYCKMAN: This amount will have to be asked for every year for five years?

Mr. ELLIOTT: Oh, no. This is just one contribution.

[Mr. Boys.]

Mr. RYCKMAN: The whole cost is as stated in the vote.

Mr. ELLIOTT: Yes. In reply to my hon. friend from Acadia, I have not the levels, but the engineer tells me from his information at the present time that the ordinary rainfall leaves a great portion of this land submerged a good deal of the time.

Item agreed to.

Kincardine—harbour repairs and improvements, $55,000.

Mr. GARDINER: Is this a new wharf?

Mr. ELLIOTT: It is an old one.

Mr. GARDINER: Is this for repairs?

Mr. MANION: I see that the amount of this item is $55,000, and that $51,000 was spent last year. I would like to know how much has been spent in Kincardine in the last five years.

Mr. ELLIOTT: I can get that information for my hon. friend, but the best information I have here is that the total expenditure since confederation up to March 31, 1929, was $613,409.

Mr. MANION: What has been the expenditure for the last five years?

Mr. ELLIOTT: I can get that information.

Mr. MANION: I would like the item held over until after dinner or until I have that information.

Mr. ELLIOTT: I shall be glad to do that.

Item stands.

Kingston—dredging Cataraqui bay, $73,000.

Mr. GARDINER: Will this amount complete the work?

Mr. ELLIOTT: Yes. This is to complete the contract to dredge a slip on either side of the 2,500,000 bushel elevator under construction by the Canada Steamships.

Item agreed to.

Kingston R.M.C.—repairs and improvements, $2,200.

Mr. GARDINER: Is this for repairs to the Royal Military College?

Mr. ELLIOTT: Yes.

Item agreed to.

Kingston (La Salle causeway)—reconstruction of guide piers, $13,300.

Mr. ROSS (Kingston): Is this to replace the guide piers damaged by the storm? The minister will remember that I drew this matter to his attention last year.

Mr. ELLIOTT: My note shows that this work was requested by district engineer, Mr. St. Laurent, in his annual estimates. It is required for the reconstruction of the guide piers at each end of the bascule span, which are decayed beyond repair.

Item agreed to.

Kingsville—repairs to piers, $30,000.

Mr. MANION: What constituency is this in?

Mr. ELLIOTT: South Essex.

Item agreed to.

Lion's Head—wharf repairs, $4,200.

Mr. SHORT: Where is this?

Mr. ELLIOTT: It is in North Bruce.

Mr. SHORT: Will this complete the work? I see that $4,000 was spent last year.

Mr. ELLIOTT: This is the estimated cost of completion.

Mr. MANION: There are four items as to which I should like the expenditure for the last five years. They are all in North Bruce. They are Kincardine, Lion's Head, Port Bruce, Port Elgin and Saugeen river. If the minister would not mind, I would like these items held over until after dinner, when perhaps the information will be available. With respect to Kincardine, the minister gave the amount that had been expended since confederation. As no doubt he has that information with respect to these other items, it might be interesting to have that too.

Mr. ELLIOTT: I shall be glad to get that information.

Item agreed to.

Little Current—dredging, $50,000.

Mr. MANION: Will the minister explain this item and say where Little Current is?

Mr. ELLIOTT: It is in Algoma East, on Manitoulin island. This amount was requested by the district engineer to remove the loose rock from the bottom of the older portion of the improved channel and clean the latter up to the full project depth. At the present time the available depth is only 16½ feet, whereas 20 feet below water level has been made in the several other items of dredging carried out from time to time at this place.

Item agreed to.

Meaford—harbour improvements, $50,000.

Mr. MANION: Would the minister explain this item?

Mr. ELLIOTT: This amount is required towards improvements to this harbour to provide sufficient depth and protection for grain vessels in connection with the proposed new two million bushel elevator to be constructed by the Canadian Terminal System Limited, of Toronto, at a cost of about $1,000,000.

Item agreed to.

Michipicoten—dredging, $50,000.

Mr. MANION: This is in East Algoma, is it not?

Mr. ELLIOTT: No, West Algoma.

Mr. MANION: Is it not in the same riding as Little Current?

Mr. ELLIOTT: No.

Mr. MANION: What is the amount asked for?

Mr. ELLIOTT: This work has been very strongly urged on behalf of the Algoma Central and Hudson Bay Railway Company, to provide sufficient depth of water in the approach to their new coal storage dock. This dock was constructed in 1929 by their subsidiary, the Algoma Central Terminals Limited, at an expenditure of $450,000, including a modern coal unloading bridge, and will be extended in the near future at a total expenditure of $960,000. The present dock handles 100,000 tons of coal annually, and is used to capacity, and the completed dock will handle 300,000 tons for use of this railway; pulp and paper mills at Kapuskasing and Smooth Rock falls; mines at Helen; and for the Canadian National and Canadian Pacific Railway in that district, at a large saving in transportation costs. It is estimated that a saving of $100,000 annually will accrue from this development when completed, besides providing much needed revenue for the Algoma Central Railway Company. This wharf is also used by the public and this centre is increasing as a tourist resort.

Item agreed to.

Midland—wharf extension, $40,000.

Mr. SHORT: Will this complete the work?

Mr. ELLIOTT: No. The estimated cost is $72,000. This is just a start.

Mr. SHORT: It is intended to complete it this year?

Mr. ELLIOTT: It is possible. It will all depend on when we can get started and on the progress the contractor makes.

Mr. SHORT: This is just an extension, not a new work?

Mr. ELLIOTT: It is an extension of an existing work. Perhaps I had better give the details. This work has been requested since 1927 and was very strongly urged on January 15, 1930, by a delegation consisting of the president of the chamber of commerce, Mr. Ross; Mr. Burke, representing the marine interests; Mr. Wagg, of the Georgian Bay Transit Company, and others. Very urgent letters have been received in January from the Burke Towing and Salvage Company, the Georgian Bay Tourist Company, of Midland, the Georgian Bay Shipbuilding and Wrecking Company, the Dominion Sugar Company, and F. W. Grant of Midland.

It was represented that the present government wharf, 250 feet long, was insufficient for the business, and a request was made that an extension, 200 feet long and 65 feet wide, estimated to cost $72,000, be provided for in the estimates. The present tourist traffic calls at Midland, and there is very serious congestion with the existing public wharf facilities.

Midland has grown from a population of from six to seven thousand ten years ago, to eight thousand at the present time. In connection with business offering, mention was made of the possibility of shipping sugar for distribution from Midland; also, the Cleveland and Detroit Boat lines are considering the extension of their business to take in such points as Midland with a new line of boats. The old Canadian National Railway wharf alongside the public wharf is in such a state of disrepair that it cannot be used to any extent. Midland harbour has the advantage of not requiring much dredging owing to its natural adaptability for a harbour, and it was felt the town should have sufficient wharf facilities to handle the traffic.

Mr. THOMPSON: Mr. Chairman, I quite agree with everything the hon. minister has said with regard to the importance of Midland as a great national harbour. Midland is the Georgian-bay end of the tourist traffic amongst the Thirty Thousand islands, which islands are attracting tourists from all over the American continent, the scenery between Midland and Parry Sound being unsurpassed. I think the work done in the past has been altogether insufficient, and this vote might reasonably have been increased to the full amount asked for by the delegation.

Item agreed to.

Mitchell's bay—dredging, $14,000.

Mr. SHORT: Where is this?

Mr. ELLIOTT: In Kent county.

Item agreed to.

[Mr. Short.]

Newcastle—wharf repairs, $1,500.

Mr. BOWEN: What is the nature of the repairs contemplated? This wharf has been going to pieces for years, and to-day it is in a very dilapidated condition. I had hoped there would have been a larger amount provided.

Mr. ELLIOTT: The amount is required for the reconstruction of a small section of the superstructure of the east pier, on the harbour side, covering a length of 132 feet with a width of 10 feet in order to permit of a landing place for small tourist craft. Owing to the decayed condition of the structures the summer tourists are under great hardship to find a landing place for their launches and boats.

Item agreed to.

North bay—Consecon—dredging, $7,200.

Mr. SHORT: Where is North bay?

Mr. ELLIOTT: In Prince Edward-Lennox county.

Item agreed to.

Oakville—dredging, $13,000.

Mr. ANDERSON (Halton): Will this be done by contract?

Mr. ELLIOTT: Yes.

Mr. ANDERSON (Halton): Were the repairs last year done by contract or day labour?

Mr. ELLIOTT: They were done last year by day labour.

Item agreed to.

Oakville—reconstruction of pier, $30,500.

Mr. ANDERSON (Halton): Will this work be done by contract?

Mr. ELLIOTT: Partly by contract and partly by day labour.

Mr. ANDERSON (Halton): What proportion of it will be done by day labour?

Mr. ELLIOTT: This work is urgently required to repair the damage done to the east pier by severe storms in November and December, 1927. In 1928 this work was postponed for a year by temporary repairs costing about $300, while the damage done to the west pier was being repaired. Further damage was done, however, by heavy seas since then, and in order to prevent the total destruction of the pier end and damage to the lighthouse, it should be attended to at once. A deputation to the minister on November 22, 1929, strongly urged the necessity for this work. These piers are extensively used by the tour-

ist trade and Oakville is the only port of refuge between Toronto and Hamilton. The proposed work is to pay for emergent repairs authorized December 3, 1929, $6,600; and reconstruction of balance of superstructure of east pier (450 feet less 36 feet already authorized), $23,900: a total of $30,500.

Mr. COOTE: Has the minister any details of the amount of traffic handled at that point?

Mr. ELLIOTT: I have already said it is the only shelter or harbour between Toronto and Hamilton, and is used extensively by craft of the Royal Canadian Yacht Club and tugs. The piers are also extensively used by tourists at Oakville.

Mr. ANDERSON (Halton): The minister did not say how much of the $30,500 would be done by day labour, and how much by contract.

Mr. ELLIOTT: About $10,000 by day labour and about $20,000 by contract.

Item agreed to.

Owen Sound—harbour improvements, $55,000.

Mr. SHORT: I notice there was a vote of this amount last year. Was nothing expended at Owen Sound?

Mr. ELLIOTT: Practically nothing. This is a revote of the full amount.

Mr. SHORT: If you voted $55,000 last year, surely it was needed. Why was not the money expended?

Mr. ELLIOTT: Before making the expenditure we had to get from the Canadian Pacific Railway Company title to certain properties which they own and upon which the work was to be done. There was a good deal of delay in this connection. The transfer of the property has recently been completed and we are now going on with the work.

Mr. CANTLEY: It is being done for the railway?

Mr. ELLIOTT: It is a public wharf.

Item agreed to.

Port Bruce—repairs to piers, $4,300.

Mr. CHAIRMAN: Is this to stand?

Mr. MANION: Yes.

Mr. ELLIOTT. That is not in the riding you spoke of.

Mr. MANION: I should like the figures on it also.

Item stands.

Port Credit—removal of wrecks, $3,000.

Mr. COOTE: What is this vote for?

Mr. ANDERSON (Halton): Is this an annual affair? There was a similar amount last year.

Mr. ELLIOTT: I think my hon. friend is in error with regard to last year. This is a new vote and is for the purpose of removing wrecks of scows which have become an eyesore in the harbour.

Mr. COOTE: Is the harbour used at all now? I thought a few moments ago the minister said Oakville was the only harbour between Toronto and Hamilton.

Mr. ELLIOTT: The only harbour of refuge.

Mr. COOTE: I thought Oakville was the only harbour we were keeping up in that district.

Mr. ELLIOTT: This vote is not so much for the utilization of the harbour as to remove some unsightly derelicts that have been lying there for a number of years.

Item agreed to.

Port Burwell—harbour repairs and improvements, $215,000.

Mr. CANTLEY: What is this expenditure for?

Mr. ELLIOTT: This amount is required towards the following work:

(1) To complete the three year contract with the Port Arthur Construction Co. for the construction of a rubble mound checkwater 200 feet long projecting westerly from the centre of the existing breakwater; for repairs to existing rubble mound wall between outer end of west pier and inner end of concrete breakwater; and for the construction of a rubble mound extension in four lengths of varying direction, having a total length of 1,800 feet—

Work done 1929-30 in excess of appropriation, $87,670.

Drawback owing on progress estimates, $31,370.

Work remaining to be done on contract, $60,850.—Total, $179,890.

(2) To replace stone washed out of outer leg of rubble mound breakwater by storm in fall, 1929, $26,710.

(3) To construct headblock at outer end of rubble mound breakwater 40 feet by 40 feet with timber substructure and concrete superstructure to suport lighthouse, $20,000.

(4) Repairs and renewals to west pier, $5,200.

(5) To pay further final estimate on the contract of Messrs. William Bermingham and Son in 1927 for reconstruction of the outer end of the east pier, this amount being recommended by the chief engineer due to the difficulty of driving piles through stones not indicated in original borings, $1,090.

The total estimated cost is $232,890.

Mr. SPOTTON: Will the minister tell us what trade passes through this port?

Mr. ELLIOTT: I have a statement of the total tonnage of freight carried by the Pennsylvania Ontario Transportation Company together with a statement of the customs and excise duties. For 1927-28 the total tonnage of freight amounted to 444,113 tons and the customs duties to $157,147.73, and in 1928-29 the customs duties amounted to $186,575.53. The total number of loaded cars and tonnage handled by the car ferry during the season of 1928, from January 1 to December 31, was as follows:

In		Out	
Coal and Coke	Miscellaneous	Cars	Tons
7,134 cars	818 cars		
411,903 tons	26,283 tons	216	5,927

Mr. CANTLEY: It seems to me that the traffic through this port is almost all inward, with very little outward commerce of any kind. I take it this is all either coal or coke?

Mr. ELLIOTT: Coal and coke.

Mr. CANTLEY: Who are the users, the railways or the steel companies?

Mr. ELLIOTT: Largely the railways.

Mr. CANTLEY: The railways only?

Mr. ELLIOTT: No, I would not say only, but nearly so. I understand a number of manufacturing concerns get their coal through this port.

Mr. CANTLEY: What is the proposal with regard to the reconstruction; what class of work do you propose to put in there?

Mr. ELLIOTT: Rubble mound. I read the description; it is a rubble mound checkwater.

Mr. CANTLEY: I understand that was the class of work that was destroyed. Are you going to put in exactly the same class of work that was carried away?

Mr. ELLIOTT: I will just read the description again for my hon. friend. This amount is required to complete the three-year contract with the Port Arthur Construction Company for the construction of a rubble mound checkwater 200 feet long, projecting westerly from the centre of the existing concrete breakwater; for repairs to the existing rubble mound wall between the outer end of the western pier and the inner end of the concrete breakwater, and for the construction of a rubble mound extension in four lengths of varying direction, having a total length of 1,800 feet. This work is to cost $179,890. It is further required to replace the stone washed out of the outer leg of the rubble mound breakwater by a storm in the fall of the year 1929, and this work is to cost $26,710. Then there are several other smaller amounts.

Mr. CANTLEY: I thank the minister for the information, but it seems to me, in view of the large area that was washed away by the storms, that this should be replaced by something more permanent.

Mr. ELLIOTT: This is the most permanent type of construction that we can get for the money.

Mr. CANTLEY: But that is not altogether the question.

Mr. ELLIOTT: It is one of the questions.

Mr. CANTLEY: Large sections of this work have been carried away, and I understand it is intended to use similar construction in replacements. Does not experience teach us anything? I understood it taught all classes of people except fools, and I am sure the minister is not one of those.

Mr. ELLIOTT: Thank you.

Item agreed to.

Port Colborne—repairs to harbour works, $75,000.

Mr. MANION: Would the minister explain what this amount is for?

Mr. ELLIOTT: This amount is required for the following work: first, to complete the contract with the C. S. Boone Dredging and Construction Company, Limited, for repairs to certain sections of the east and west breakwaters damaged by severe storms in 1927, which are estimated to cost $50,000. This amount is also required to repair the next most urgent section of the west breakwater, 290 feet long, which is estimated to cost $35,000. For this we are including the amount of $25,000, making a total of $75,000.

Item agreed to.

Port Dover—harbour repairs and improvements, $25,000.

Mr. MANION: Would the minister tell me what this expenditure is for?

Mr. ELLIOTT: This amount of $25,000, of which $21,000 is a revote from 1929-30, is required for the following work: first, to complete the contract with A. C. Stewart and Company for the construction of the new east pier, 1,000 feet long, 20 feet wide and 12 feet deep, with concrete superstructure; for the removal of the old pier, the dredging of a wider entrance channel and for enlarging the turning basin. This work is estimated to cost $21,000. This item is to provide also for the repair of the decking, stringers, face timbers

and cross ties of the west pier, estimated at $3,700, and for inspection which is estimated at $300, making a total of $25,000.

Mr. MANION: I see that last year there was an item of $135,000 in connection with Port Dover. Would the minister explain how that money was spent?

Mr. ELLIOTT: Yes. To February 28 the expenditure totalled $120,207.

Mr. COOTE: Would the minister give us some idea of the traffic through this port?

Mr. MANION: And I wanted to know something about what the money was expended for last year.

Mr. ELLIOTT: There was a contract awarded A. C. Stewart and Company for the reconstruction of the east pier, which was wrecked by a severe storm. This contract amounted to $130,857. During 1927-28, 504 vessels arrived with a tonnage of 100,611 tons; the number of vessels departing was 506, with a tonnage of 100,782 tons. The value of the fish catch during 1928 amounted to $213,243. A ferry system was operated during the 1929 season but it has been discontinued owing to a serious breakdown. During that year the inward passengers amounted to 5,597 and the outward passengers 9,168; automobiles inward numbered 1,703 and outward 1,515.

Item agreed to.

Port Hope—repairs to harbour works, $9,000.

Mr. BOWEN: Will this vote fully complete the work started last year?

Mr. ELLIOTT: It is to complete the contract which was started last year.

Item agreed to.

Port Maitland — harbour improvements, $80,000.

Mr. SENN: Was this item prepared before the recent floods occurred which caused considerable damage in that district, and is the minister aware of the damage done at that time? Will this amount be sufficient to cover the cost of all the repairs needed in that harbour?

Mr. ELLIOTT: These estimates were prepared before the storm occurred to which my hon. friend refers. A report has been received and examinations are now being made. The report of acting district engineer Lamb, dated March 6, reads as follows:

As a result of ice jam between the two entrance piers and flood condition of the Grand river the bottom of the river was scoured causing serious subsidence of parts of both piers. To strengthen the most seriously damaged section of the east pier 180 feet long will cost about $55,000, and to strengthen 80 feet of the west pier which should be attended to as early as possible, will cost $15,000.

Mr. SENN: Will the minister provide in the supplementary estimates a sufficient amount to cover this work?

Mr. ELLIOTT: It is very hard to say what will be placed in the supplementary estimates. We have the request here, and it will be considered.

Mr. SENN: About $60,000 was expended on the harbour last year, and I would like to know just what was done.

Mr. ELLIOTT: There were two contracts completed in 1929. One amounted to $18,058.50; date of contract, November 10, 1928; date for completion, July 24, 1929. This contract covered the reconstruction in concrete of superstructure and strengthening superstructure by placing steel sheetpiling around old work, tying said piling together across the old structure, replacing certain face timbers along the balance of structure. The total cost was $24,582.65, which included inspection. Another contract amounted to $22,059.21 and covered a wooden sheetpile wall, strengthened by round piles in front and pile anchors in rear, to be constructed inside and parallel to the harbour headline for a length of 700 feet northerly from the inner end of the west pier.

Mr. SENN: What work was accomplished proved to be very useful, because the water was scouring out the shore and in another year or two it would have undermined the dwellings situated along the bank of the harbour. Is it the intention of the department to extend that breakwater any further up the river? At the present time a certain amount of scouring is going on along the river above the breakwater and something should be done, otherwise should another storm occur the consequences might be serious.

Mr. ELLIOTT: A request has been made for the extension of that breakwater, but nothing definite has been decided upon as to what will be done. It was considered that the repairs we have referred to should be attended to first.

Mr. SENN: I would urge upon the minister the necessity of this case. Should another storm occur like we had last fall it is hard to say what might happen to a number of dwellings and business houses situated on the bank of the stream. Two or three years ago the east pier was completed, the one which has broken down, and the entrance to the harbour was washed to a considerable extent

and it is harder to enter the harbour when a storm is occurring. The scouring which took place, and which necessitated the building of the wall, occurred during one storm which took place since the completion of the widening of the harbour entrance, and another storm might work serious havoc there. I urge upon the minister that the work be completed as soon as possible.

Item agreed to.

Port Stanley—harbour repairs and improvements, $150,000.

Mr. MANION: Could we have some information on this item, because I notice a good deal of money is being spent upon this harbour. I am not complaining, because I do not know much about it, but I notice that $105,000 was spent last year and $150,000 is being asked for this year.

Mr. ELLIOTT: Unfortunately we spent last year only $47,263.

Mr. McGIBBON: That is unfortunate.

Mr. ELLIOTT: Yes, but it was inevitable also. The London and Port Stanley railway are directly interested in the traffic coming through this port, and negotiations with them and with the town of Port Stanley occupied a good deal of the year, and we were only able to complete work to the extent of $47,263. Of the $150,000 being asked for, $55,000 is a revote. The proposed work consists of the following:

1. Minor repairs to west pier, west breakwater and departmental pile driver, $2,000.
2. Extension of shore protection work at Orchard Beach just east of this harbour, commenced in 1928 to prevent erosion to public and private properties partially due to the government harbour works, $6,000.
3. To construct a new concrete warehouse 220 feet by 40 feet, estimated cost, $56,250.

As a result of the negotiations which were carried on it was found that a much larger warehouse than was contemplated would be necessary due to the increase in business. The next item is:

4. Reconstruction of three sections of west pier, 100 feet at north end of concrete section; 45 feet at south end of timber section, and 405 feet at the inner end; estimated cost, $62,011.
5. Sheetpile wall 930 feet long, along east side of inner harbour, to prevent erosion caused partly by widening entrance channel, $37,200.
6. Inspection, surveys and incidentals, say, $2,539.—Total estimated cost, $166,000.

Mr. CANTLEY: What are the principal imports arriving at Port Stanley?

Mr. BOYS: And the exports?

Mr. McGIBBON: Probably the hon. member for that constituency could help the minister.

[Mr. Senn.]

Mr. ELLIOTT: I have no doubt that he would be a very valuable assistant if I should need one. The traffic for 1925 amounted to 174,382 tons; for 1926, 137,000 tons; for 1927, 68,975 tons; for 1928, 271,314 tons; and for 1929, 251,069 tons. The Marquette and Bessemer Dock and Navigation Company have operated a car ferry for the past number of years, which ferry has a capacity of 30 cars of 100,000 pounds capacity each. They carry on a service between Port Stanley and Conneaut, Ohio.

Mr. CANTLEY: Carrying what?

Mr. ELLIOTT: The principal cargo is coal, with some coke, a small amount of steel and general merchandise. There has been a considerable increase during the last few years in the tonnage of coal handled, as well as some increase in the tonnage of coke.

Mr. BOYS: Is there an export dock there?

Mr. CANTLEY: Three of the largest items we have before us, namely, those for Hamilton, for Port Burwell and for Port Stanley, cover expenditures to be made mainly in the interests of our American friends in order to enable them to bring American coal into this country. This coal which comes into Port Stanley is imported with a 99 per cent rebate in duty. Not only do we give our American friends a rebate of 99 per cent of the duty, but we spend large sums of money to help them out. I will tell the minister quite frankly, that I do not at all like such a situation.

Mr. SENN: Rumour has it that a coking plant is to be established at Port Stanley in the near future. Have any representations been made to that effect to the government to induce them to place this amount in the estimates in order to improve the harbour?

Mr. ELLIOTT: For some time representations have been made with regard to a coking plant at Port Stanley. I have no doubt some company will set up a plant there, probably in the near future, but the expenditure that is being provided for in these estimates will be required in all probability altogether apart from the requirements of the coking plant. I would say to the hon. member for Pictou that the coal they utilize there is being used in Canadian industries. Does he think that we should supply facilities for landing this coal? I may not have been listening as attentively as I should, but while I tried to get his point I could not do so and I am not able to agree with him at all.

Mr. CANTLEY: My point is this: a large quantity of coal is coming into this country

for iron and steel making. Practically the full amount of the duty paid on that coal—99 per cent—is rebated. That is unfair as compared with the situation of the iron and steel industries in the maritime provinces. In effect it means that our coal miners are compelled to work without protection of any kind. Not only is that the case, but these iron and steel works so favoured, are situated in the great consuming centres of the Dominion and can deliver their products to the buyers and consumers at very little freight cost; whereas in order to reach Montreal, the eastern margin of the consuming district in Canada, we have to send our heavy material of a low tonnage value over 1,000 miles of railway. You are spending on these three points very large amounts of money mainly for the purpose of enabling the Americans to deliver their coal duty free, and that I think is unfair. We are asking for no such expenditures on public works to enable us to ship our coal. Our coal shipping docks are built by the companies who operate the colleries, as also the docks of the steel companies of Nova Scotia. We have never asked or received a dollar of public money towards the construction or maintenance of those docks.

Mr. HEPBURN: Port Stanley is more or less a distributing centre for western Ontario. The imports are not confined to coal alone. The big warehouse is taxed to capacity and we have to make provision for increased shipping facilities. There is a daily boat service between Port Stanley and Cleveland during the summer months, and before the item is passed, perhaps the minister will give the figures relating to the traffic between Cleveland and Port Stanley. Most of the coal is dutiable. The coal that is subject to a drawback is the coal shipped to the Hamilton By-product Coke Ovens Limited. I am sure the hon. member who is complaining will not want to impose a tax on coal when we are trying to establish coking plants throughout southern Ontario. We find that where coking plants are established, industries are set up to take advantage of the cheap coke those plants afford. If the members from Hamilton were present I am sure they would not object to spending money on a port that acts as a distributing centre practically from Windsor through to Hamilton.

Mr. MANION: I did not understand my hon. friend to assume the attitude that the money should not be spent. He took the attitude that the money should not be spent on bringing United States coal into this country.

Mr. CANTLEY: I have known of the great expectations and the development of Port Stanley over many years. The hon. member need not worry as to any misapprehensions on my part. I knew the port—before he was born. I object to expenditures of money made largely in the interest of United States producers of coal.

Mr. HEPBURN: Does the hon. member think it feasible for industries in southern Ontario to utilize anything but United States coal for industrial purposes?

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 27, respecting the Canadian Pacific Railway Company (division of capital stock).—Mr. Chevrier.

Bill No. 28, respecting the Eastern Canada Savings and Loan Company.—Mr. Black (Halifax).

Bill No. 30, respecting the Canadian Pacific Railway Company (branch lines).—Mr. Power.

SAINT NICHOLAS MUTUAL BENEFIT ASSOCIATION

The house in committee on Bill No. 29, to incorporate the Saint Nicholas Mutual Benefit Association—Mr. Luchkovich—Mr. Johnston in the chair.

Sections 1 to 3 inclusive agreed to.

On section 4—powers.

The CHAIRMAN: In committee, an amendment was made to paragraph (d), substituting the word "fraternal" for the word "national" in the second line.

Section as amended agreed to.

On section 5—control of society.

The CHAIRMAN: This section was amended by striking out all the words after "shall" in the first line to the end of the section and substituting therefor the words "admit as members only persons of Ukrainian origin and of the Greek-Catholic faith."

Section as amended agreed to.

On section 6—general convention to govern.

The CHAIRMAN: This section has been amended by striking out all the words after the word "Society" in the third line to the end of the section.

Section as amended agreed to.

Sections 7 to 16 inclusive agreed to.

On section 17—society may acquire rights and property of provincial society.

The CHAIRMAN: This section has been amended by substituting for the words "Superintendent of Insurance" in subsection 2 the words "treasury board"; and in the following line the word "Superintendent" has been struck cut and the word "board" substituted therefor.

Section as amended agreed to.

Sections 18 and 19 agreed to.

Bill reported, read the third time, and passed.

ESTATE TRUST COMPANY

The house in committee on Bill No. 23, to incorporate Executor Trust Company (and recommending that the title be changed to "An Act to incorporate Estate Trust Company")—Mr. Jacobs—Mr. Johnston in the chair.

On section 1—incorporation.

The CHAIRMAN: This section has been amended by substituting for the word "executor" in line 13 the word "estate".

Section as amended agreed to.

Sections 2 to 5 inclusive agreed to.

On the title.

The CHAIRMAN: The title has been changed to read "An Act to Incorporate Estate Trust Company."

Title agreed to.

Bill reported, read the third time and passed.

SECOND READING

Bill No. 45, to amend the act to incorporate the Imperial Trusts Company of Canada—Mr. Bell (Hamilton).

EDGAR D. CRUMP PATENT

Mr. K. A. BLATCHFORD (Edmonton East) moved the second reading of Bill No. 44, respecting a certain patent of Edgar D. Crump.

Mr. DUNNING: Explain.

Mr. BLATCHFORD: The patent covers equipment used by doctors in hospitals. Its purpose is to stop the flow of blood by means of a bandage and a pump.

Mr. POULIOT: Is this for blue blooded or red blooded Canadians?

[The Chairman.]

Mr. BLATCHFORD: Blue blooded.

Motion agreed to and bill read the second time.

DIVORCE COURT FOR ONTARIO

The house resumed from March 25, consideration of the motion of Mr. Woodsworth for the second reading of Bill No. 20, to provide in the province of Ontario for the dissolution and the annulment of marriage, and the amendment thereto of Mr. McMillan.

Mr. W. A. HALL (South Bruce): Mr. Speaker, it is not my intention to say anything about the causes or necessity of divorce, which I know we all abhor, nor about the principle of divorce and its results, which I know we all deplore. This house has heard many times of its attendant evils, the depraved, or as the case may be, the broken-hearted individual, the broken marriage vows, the broken family circle and the ruined home, and so forth. But rather I want to prove to the house that divorce courts as already established in six of the provinces have increased divorces in Canada because in every case they have facilitated the obtaining of it by a cheaper and easier method.

Before proceeding with the arguments to establish this, may I be pardoned if I make a digression and refer to what the right hon. Prime Minister (Mr. Mackenzie King) said a few days ago? You will remember he said what we had to deal with was the procedure, not the principle of divorce, that the principle had been settled many years ago. He said we may proceed in one of three ways:

(1) By action of the federal parliament, as at present or modified;

(2) By establishing a provincial divorce court, as the bill now before the house proposes;

(3) By the federal parliament refusing to deal with the petitions.

Mr. Speaker, with all due deference to the Prime Minister, I think there are other ways. One is by the establishment of a court of conciliation and separation, to be presided over by a judge of the supreme court, assisted by one or more experts in social service work. This court, as its name implies, has a dual function. Briefly, its main object would be to effect a reconciliation between husband and wife, thus preserving the unity and sanctity of the home and everything else that that implies. Doubtless this would be quite possible in many cases. Why?

(1) The sin of adultery, the sole cause of divorce, is no more heinous than many other sins that are forgiven, if not forgotten, by husband or wife, as the case may be.

(2) And, in cases where there are children, I venture to say that reconciliation could be and would be effected in almost every case.

(3) And knowing that separation would preclude remarriage, this would be the strongest incentive to reconciliation.

Failing reconciliation, the court whose establishment I propose would issue a decree of separation, making proper provision for the custody of children, if any, and adequate provision for alimony for the deserving wife.

Now, Mr. Speaker, I must not make this digression too long. I may add, however, that this plan would automatically abolish divorce; that is, it would do away with the need for it, as well as prevent remarriage, as remarriage in these cases would constitute bigamy. This scheme could be made to apply to the whole of Canada as well as to Ontario; it would be better, indeed, if applied to the whole of Canada because that would prevent migration from Ontario to other provinces. Doubtless, however, it would drive some people to seek divorce in the American courts, and in the event of a person thus securing divorce, remarrying and establishing a domicile in Canada, he or she could be and should be prosecuted for bigamy. At present I need not elaborate this further, except to say that no one can be in doubt as to the results of such legislation. I need scarcely say that I hope a provision for such a court as I have briefly outlined, when submitted to this house for consideration, may meet with the approval and support of most of its hon. members.

At present neither Ontario nor Quebec has a divorce court, so that anyone in either of these provinces seeking divorce has to obtain it by a special act of the federal parliament. This, necessarily, is much more expensive and difficult to procure. Here let me say that the province of Prince Edward Island has always had a divorce court, but apparently it has never functioned and only one citizen of Prince Edward Island has been granted a divorce by the federal parliament. This was in 1913. Other citizens who sought divorce went to the neighbouring American republic or elsewhere. I need scarcely say that each state in that republic has a state divorce court, which, I understand, is overworked, there being one divorced person for every six married persons in the United States. Surely we do not want to bring about this state of affairs in Canada, although we seem to be fast approaching it. Last year—1929—there were 816 divorces granted in this country and 1,368 Canadian marriage contracts were annulled by divorce courts in the United States, making altogether 2,184 annulments. This figures out to one divorced person for every thirty-two persons married in that year.

What must be done to cope with this problem? Before answering that question may I say that for a long time after confederation there were few divorces granted in Canada. In 1883, 13 divorces were granted; in 1903 there were 21; in 1909, 51; in 1913, the year before the war, 60 divorces were granted; in 1918, the year the war ended, 114; and in 1919, the year after the war ended, 376 divorces were granted. This represents an alarming increase, and it still continues although somewhat abated. The reasons for the increase are:

(1) The effects of the war.

(2) The establishment of a divorce court in 1919, owing to a decision of the privy council, in each of the three prairie provinces.

The war had a psychological effect which unsettled the minds of the people, and also there was a long separation of the men in active service from their wives, as well as something else which is better imagined than here stated.

But to return to what I wish to establish, namely, that provincial divorce courts have increased divorce in Canada; this can best be done by referring to statistics. The following figures are informative:

Province	Number of divorces granted 1918	1919	Proportion of Increase
Alberta	2	36	18 times as many
Saskatchewan	1	26	26 times as many
Manitoba	0	88	88 more than one million times as many
Ontario	10	49	Almost 5 times as many
Quebec	2	4	Twice as many
New Brunswick	10	13	One-third more
Nova Scotia	24	36	One-half more
British Columbia	65	147	More than twice as many

It will be noticed that there were great increases in all the provinces, especially in the three prairie provinces where divorce courts had been established and had just begun to

function—Alberta with an increase of 18 times, Saskatchewan with an increase of 26 times and Manitoba with 88 more than one million times the number of divorces in 1918.

Mr. McQUARRIE: Have you any figures as to Prince Edward Island?

Mr. HALL: No, because they do not use a divorce court.

Mr. McQUARRIE: They have one there, though.

Mr. HALL: Yes, but they do not use it.

Let me also compare the number of divorces in Ontario in 1918 with the numbers in New Brunswick and Nova Scotia. In 1918 Ontario without a divorce court had ten divorces; New Brunswick with a divorce court had 10 divorces, and with the same population as Ontario would have 76. Nova Scotia with a divorce court had 24 divorces and with the same population as Ontario would have 135. As the years went by the number of divorces kept steadily increasing until 1929 there were 816. In the last year for which we have figures, 1928, the number of divorces for each province was:

	Divorces
Alberta	168
Sackatchewan	55
Manitoba	78
Ontario	213
Quebec	25
New Brunswick	14
Nova Scotia	28
British Columbia	203

Computing these on the basis of Ontario's population, the result is as follows:

	Divorces
Alberta	1,008
Saskatchewan	220
Manitoba	395
Ontario	213
Quebec	30
New Brunswick	110
Nova Scotia	160
British Columbia	1,218

Permit me to make another comparison, leaving Quebec and Prince Edward Island out of the picture, to be fair. Ontario in 1928 had 213 divorces. The six provinces having divorce courts, with about the same combined population as Ontario, had 547 divorces, or more than two and a half times the number of divorces in Ontario. It will be noticed that the provinces having divorce courts have a much larger percentage of divorces than is the case with the other provinces. That having been established beyond contradiction, we again ask what must be done. The answer is: Defeat the bill and clear the way for the introduction of legislation providing for a conciliation and separation court along the lines I have suggested.

In conclusion I might suggest that if this bill to establish a divorce court in Ontario should pass the house, some hon. member may place on the order paper next session a resolution something to this effect:

Whereas divorce has so greatly increased since the establishment of a divorce court in Ontario;

And whereas the number of divorces in Canada soon will be on a parity with the number in the neighbouring republic;

Therefore be it resolved that in the opinion of this house companionate marriage should be legalized in order to reduce the number of divorces in Canada.

Mr. C. W. BELL (West Hamilton): Mr. Speaker, I desire to accord the bill now before the house the same support which I gave to a similar measure introduced last year by the same hon. member. The matter has been so thoroughly debated that it seems to me some important points in connection with this legislation have been virtually settled. Particularly is that the case with regard to the question whether or not the adoption of the bill establishing a divorce court would tend in any way to impair the sanctity of the home.

However, there is one thing of which I spoke in discussing the bill last year, which I considered of very great importance and which I have not heard answered either during that debate or during the debate on the bill now under consideration. That is the point that just so long as divorces are granted by the parliament of Canada, just so long shall we be deciding matters of great importance to the people of this country on the most unfair basis possible, that of according justice to people of moderate means or of wealth while absolutely denying it to the poor. I cannot reconcile my conscience to the idea of allowing such a condition as that to continue longer than can be helped.

It has been pointed out, sir, that it is possible for those who desire to obtain decrees of divorce to go before the Senate committee and obtain a remission of the usual fees in order that they may not be put to expense which they can ill afford. As a citizen of this country I resent the suggestion that any man or woman should be called upon to proclaim his or her poverty in order to obtain justice. So far as I am aware there is no regularly constituted court of justice in any province where a citizen is told at the outset, "Because you are poor you need not come to this court looking for justice on any claim which you may have to present." There is

not a man in this house familiar with the procedure in courts of justice in Canada but knows perfectly well that the poor man or woman who comes before our regularly constituted courts of justice can do so without being put in the position of paying fees which he or she can ill afford. No lawyer of standing whom I know or with whom I have come in contact will refuse to take a case which represents itself to him as being just. In fact, the members of the Ontario bar—and I presume the same condition applies in the other provinces—take an oath when they are admitted to practice that they will refuse no just cause. However, a lawyer who is approached in connection with a divorce case by a man or a woman of small or very moderate means has to ask the preliminary question, before he even considers the justice or injustice of the cause: "Have you so much money, not for me, but for the parliament of Canada, which demands so much before you can hope to get any justice regardless of what your evidence may be?" I challenge truthful denial of the statement that the result of this condition has been that anyone who comes to a lawyer with a divorce case must state, as a preliminary, that he or she has upwards of $1,000 to put down in order to obtain that justice.

Surely, sir, that condition reflects most shamefully upon our laws and regulations with regard to the administration of justice. It was said only a few moments ago, by the hon. member who has just taken his seat, that the establishment of these courts would largely increase the number of divorces, and my hon. friend quoted figures, as he is entitled to do and which figures are deserving of some consideration, in an endeavour to show the house that if these courts were established such would be the case. But, sir, no consideration of these figures or of any figures which can be brought forward has any value unless we are able to include in them the number of persons, which reasonable and moderate estimates place at from 1,200 to 1,500 annually, who go across the line to get the justice which is denied them in this Dominion of Canada. That again, sir, is something which reflects upon us in a way that does this Dominion and its administration of justice no credit.

Mr. ADSHEAD: The number of divorces granted by parliament has increased also.

Mr. BELL (Hamilton): And the number of divorces here has increased, as my hon. friend points out.

Mr. McGIBBON: May I ask a question? Could you not achieve your end just as well if the fees were reduced by this parliament?

Mr. BELL (Hamilton): The obvious answer to that question, I think, is that there has been no suggestion made and no disposition shown, so far as I have ever heard, to reduce the fees. Those who are opposing this bill are not suggesting, so far as I have been able to gather, an alternative measure looking to the reduction of the cost; they simply say the bill should be defeated absolutely. I am very glad my hon. friend, with his usual fairness, brought up that question, because it draws attention once more to another aspect of the situation which in my view is most important. Under the procedure of the only divorce tribunal which we have, the Senate of Canada, all such cases must be brought to Ottawa. That in itself makes the whole thing prohibitive to people of small means or people who are poor. In connection with no other court of justice or any other judicial tribunal is it necessary to journey to the capital of the nation, together with all witnesses, paying railway fares, hotel bills and the hundred and one other incidentals which so vastly increase the cost of the application which is presented. If it were necessary or imperative that a man having a claim to present before a court of justice should bring that claim to Ottawa and transport all his witnesses to Ottawa, what a cry would go out! The people would say, "You are making justice in this country prohibitive; establish courts in every province so that the poor man may have an opportunity of reaching them with the convenience offered to the rich." Apart altogether from the cost of the divorce legislation under the present system, apart altogether from the cost of the necessary agency work which has to be done, we have this almost unsurmountable obstacle presented in a great number of cases, in that witnesses must be brought to Ottawa and the expenses incident to that procedure are piled upon the applicant. If he has not the money to afford taking that course, what does he do? He crosses the Detroit river and goes into the state of Michigan or some other adjacent state in order to get his decree.

During the course of this debate some hon. gentlemen have said that the province of Ontario has not asked for this bill. I dare say that it is now within the knowledge of all hon. gentlemen that the premier of Ontario has specifically pointed out that it does not lie upon that province to ask for legislation from this parliament, but that on the contrary it is the obligation of every hon. member of this house, whether from the province of Ontario or otherwise, to take upon himself the responsibility of dealing with this question. Mr. Speaker, looking at it from that viewpoint, looking at it from the viewpoint of

one who wants to see every man who has just cause receive justice in this matter, as in all other matters where a person appears before any judicial forum as a seeker after justice, I ask this house to pass this bill and do away with the inequality which has become, in my humble opinion, a disgrace to Canada.

Mr. C. B. HOWARD (Sherbrooke): Mr. Speaker, I do not wish to detain this hon. house unnecessarily, but I think in justice to my constituents and myself I should explain why I intend to vote against the motion proposed by the hon. member for Winnipeg North Centre (Mr. Woodsworth).

I represent in this house a constituency which is seventy per cent French-Canadian Catholics. They are opposed to making divorce easier; in fact they are opposed to the granting of divorces in any form, and, therefore, as their representative I intend to vote against the motion. The remaining thirty per cent of the population of my constituency are English-speaking Protestants, and I believe that the great majority of that minority are against making divorces easier, and therefore as their representative I intend to vote against this motion.

My third reason is a personal one. Having gone over the figures presented to the house by the hon. member for Parry Sound (Mr. Arthurs) who sits on the other side—figures which showed conclusively that in those provinces having their own divorce courts the number of decrees had increased considerably since jurisdiction had been granted to the provinces, I am forced to take my stand against the motion.

Mr. J. GORDON ROSS (Moose Jaw): Mr. Speaker, I object as a member of the House of Commons to having to deal with divorce in this house. I do not think the present method is the proper one to be pursued; my opinion is that this is not the proper place to deal with the matter. The hon. member for Sherbrooke (Mr. Howard) has stated he is convinced, because of the figures brought down by the hon. member for Parry Sound (Mr. Arthurs), that the number of divorces has increased in those provinces having their own divorce courts. The figures presented by the hon. member for Parry Sound will be found on page 722 of Hansard, and they show that in 1922 Ontario had 90 divorces, which had increased to 208 for the year 1929. The hon. member claimed that the increase in Ontario and Quebec was smaller than in any other province, but his figures show that the increase has been smaller in the provinces having divorce courts than it is in Ontario and Quebec, which provinces are forced to bring their applications for divorces to parliament. The increase in the number of divorces granted in the province of Ontario between the years 1921 and 1929 is 105 per cent; for the same period Quebec shows an increase of 400 per cent, having only six divorces in 1922 and 25 in 1929; Alberta shows an increase of 75 per cent; Saskatchewan, an increase of 38 per cent; Manitiba, decrease of 26 per cent; Nova Scotia, a decrease of 26 per cent; New Brunswick, an increase of 60 per cent; and British Columbia, an increase of 73 per cent. That comparison is based upon the figures brought down by the hon. member for Parry Sound, at which time he said that there was a larger increase in the number of divorces granted by the provinces which had divorce courts than there was in the provinces which had no jurisdiction in that matter.

Mr. ARTHURS: The hon. member is juggling with figures.

Mr. ROSS (Moose Jaw): My hon. friend needs only to read his own figures and do his own computing. Another hon. member has mentioned that the number of divorces granted to residents of Saskatchewan, Manitoba, and Alberta was smaller before those provinces had divorce courts than it is at the present time. That is only natural because it involved a tremendous expense to those people to come to Ottawa, and in a great many cases they crossed the line and made up part of that 1,500 mentioned by the hon. member for West Hamilton (Mr. Bell). At the present time hundreds of divorces are brought to parliament from Ontario and, according to the figures which have been circulated among the members of this house, which I think are quite accurate, at least twelve Ontario couples per week are divorced in the city of Detroit alone. That would add 600 more to the figures given by my hon. friend.

Mr. McGIBBON: Could the hon. member give us any authority for that statement?

Mr. ROSS (Moose Jaw): The synod of the Church of England.

Mr. McGIBBON: That is not an authority.

Mr. ROSS (Moose Jaw): I am willing to take that as an authority on this occasion. The present system is that divorces are brought before a committee of the Senate, evidence is taken, which evidence is printed and distributed among the members of this house. I do not suppose that more than one out of a

hundred members of this house have ever read the evidence in all cases; in fact I do not believe any member has done so.

Mr. CANTLEY: I hope not.

Mr. ROSS (Moose Jaw): My hon. friend would not like to do that, nor would I.

Mr. CANTLEY: Certainly not.

Mr. ROSS (Moose Jaw): These cases come into the commons without hon. members having any knowledge of what has happened, yet we pass judgment on these divorce bills.

The question is not a new one; the same problem was faced in England many years ago. In the year 1853 a committee of the British House of Commons was formed to look into the matter of divorce, which was then handled by parliament. In 1857, after four years' consideration, that committee reported to the House of Commons of Great Britain and it was decided to give the courts jurisdiction in divorce matters, and the question has since been handled in that manner. As the Prime Minister (Mr. Mackenzie King) said the other evening, we have in the divorce committee of the Senate some five lawyers and ten laymen. This is probably the only court in the world in which laymen give judgment.

Some hon. MEMBERS: No.

Mr. ROSS (Moose Jaw): Every divorce application that comes to this parliament is dealt with ultimately in the form of a bill, and naturally anyone presenting that bill has a right to lobby the members of the house and of the Senate in an endeavour to force the bill through. It is an act of parliament and they have a right to do that. And we know, it is done; but no judge would ever allow anyone to discuss with him a question that came before his court. Before the Senate committee there are no recorded decisions, no precedents set up, as in a court, for the presiding officer to be guided by. In ordinary cases, in every court, there are reports, decisions, to guide the judges in dealing with cases which come before them, but in the high court of parliament a chairman in one committee may be giving a decision to-day and at the same time another chairman in another part of the building may be giving a diametrically opposite decision. If these cases were heard before a court, the people asking for relief, would have a right, should the court find against their plea, to go before another court and appeal. That is not possible in this case. This is an act of parliament; it is a statute once it is passed and there is no appeal.

As regards divorce cases, there are no set decisions, no set rules. Divorce may be granted through the houses of parliament for any cause whatsoever that the chairman of the divorce committee happens to think fit. There are no definite rules set up. It does not have to be any one thing or another. The chairman makes his own ruling and a bill of this parliament is passed.

The question of publicity is very important. In a province which has a divorce court there is no publicity to the proceedings. You never see in our papers any report of a divorce case; only the decisions are given. But in parliament some 400 copies of the evidence are printed and distributed. Every member of the house, every senator receives a copy. These are broadcast and the evidence is placed in concrete form so that any person, even a child, may read it.

Mr. SPOTTON: When the hon. gentleman speaks of this evidence as being broadcast as printed literature, is he speaking only for himself? He is not speaking for me; I have never broadcast such literature. Let him speak for himself.

Mr. ROSS (Moose Jaw): I was not speaking of the hon. gentleman or of any other hon. member. I was simply saying that some 400 copies of the evidence taken in every divorce case are printed and distributed to at least some 400 people. They are in print to be brought up at some future time and thrown in the face of some child. That is entirely unnecessary In a divorce court the evidence is not made public in any form.

Under our present system of granting divorce, one, two or three parties may be named as respondents. They may not appear at all. They may be entirely innocent. There is no written decision of the chairman of the divorce committee exonerating them from blame or finding them innocent. Any evidence that may be given—and they may not be present to defend themselves and may not be represented by anyone to defend them—goes out in the printed record. This evidence is never refuted, and the chairman of the divorce committee does not give a decision holding them blameless in such a case. Thus other innocent people may be damaged by the present system of divorce as granted by parliament. In the divorce courts in the provinces which have such courts, there is, I believe, a representative of the crown who, acting as king's proctor, looks especially for collusion and may defend any respondent who does not happen to be present. In that way a fairer trial is secured and there is less chance of

collusion. In the ordinary course of events in parliament a divorce case comes to the Senate and to the House of Commons and if you read the cases you will find that most of the evidence that is adduced is from an investigator or a detective; in fact, practically all the evidence that is presented is paid for by someone—that is, the person who gives the evidence is paid.

Mr. DEPUTY SPEAKER: The hour for private and public bills having been exhausted, the house will now revert to committee of supply.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

The house in committee of supply, Mr. Johnston in the chair.

Mr. ELLIOTT: Before the committee rose I was asked by my hon. friend from Fort William for some figures regarding certain places which are mentioned in the estimates. I have them now and shall be glad to send them across to him.

Mr. MANION: I should like to have them on Hansard.

Mr. ELLIOTT: Did my hon. friend want them by years?

Mr. MANION: What I asked for was for the last five years in bulk. The minister mentioned that he had the figures from confederation until the present, and I suggested he might add that in bulk figures for both of them. That would give two sets of figures, one from confederation till to-day and the other for the last five years.

Mr. ELLIOTT: Perhaps my hon. friend will excuse me, but in the case of Kincardine I have given six years and I have them all added together. The figure for 1924-25 is $30,741 and the total is $170,808.

Mr. MANION: That is for the last six years in Kincardine?

Mr. ELLIOTT: Yes, including 1924-25. For the last five years it will be $31,000 less than that, or about $139,000. The total since confederation is $638,879.33. For Lion's Head, the total for the last six years is $24,799.86, and the total since confederation $75,145. For Port Elgin the total for the last six years is $4,334, and the total since confederation, $147,790. For Saugeen river the total for the last six years is $69,055.91, and the total since confederation $160,364.23. For Port Bruce—

Mr. MANION: Is that in the same riding?

[Mr. J. G. Ross.]

Mr. ELLIOTT: Not the Port Bruce that is in the estimates.

Mr. MANION: Has the minister the totals of those two sets of figures?

Mr. ELLIOTT: No.

Mr. SPOTTON: Does Saugeen river include Southampton? It is really the same thing. The Saugeen river enters the lake at Southampton. They are all within a few yards of each other.

Mr. ELLIOTT: They are not the same works.

Mr. MANION: Has the minister the total revenue from Kincardine, Lion's Head, Port Elgin and Saugeen river?

Mr. ELLIOTT: For Kincardine the import duties for 1927-28 were $44,804.98.

Mr. GUTHRIE: Is that by rail or water?

Mr. ELLIOTT: That is the total of everything.

Mr. GUTHRIE: It all comes by rail, except a little coal, I am informed.

Mr. ELLIOTT: I think that is quite wrong. The excise taxes for 1927-28 were $41,314.08 and sundry collections $75, making a total revenue for 1927-28 of $86,194.06. For 1928-29, the import duties were $54,579.86, excise taxes $37,057.37, sundry collections $60, making a total of $91,697.23.

Mr. GUTHRIE: How much of that revenue comes from the port of Kincardine, excluding the railways?

Mr. ELLIOTT: I have not those figures separated.

Mr. GUTHRIE: Can the minister tell me how many vessels arrive at and depart from the port of Kincardine?

Mr. ELLIOTT: In 1928-29 the number of vessels arriving was 24, and the number departing 23.

Mr. GUTHRIE: That includes tugs and everything?

Mr. ELLIOTT: That is the number of vessels. In the 1929 season, up to November 5, there were twelve foreign vessels with a tonnage of 29,859, and 15 coastwise vessels entering the port with 4,434 tons of freight.

Mr. SPOTTON: As I understand it, all that comes in are a few small boats with soft coal for the salt works, not carrying even domestic coal for the use of the town, and once every two years a small scow of cord-

wood comes in. I would like to know what cargoes these vessels which the minister mentioned brought into Kincardine, and what revenue the government received from them. I should like those figures separate from the railroad revenue. There are only a few fishing boats at this harbour. The expenditure at Lion's Head in North Bruce may fairly be justified, but not the expenditures at Kincardine or Port Elgin, and at the private wharf of a fellow who owns a lumber mill.

Mr. ELLIOTT: The coal imported during 1929, up to September 30, by the Valley Camp Coal company was 27,199 tons.

Mr. RYCKMAN: Are those water shipments up to September 30?

Mr. ELLIOTT: That coal came in by water. Coke was imported in 1929, to the amount of 700 tons, and salt to the amount of 275 tons. The freight rate on coal by rail is $1.90 per ton, and by water $1.25 per ton, from Lake Erie ports. The fishing catch for 1928 was 98 tons, with a value of $26,392.

Mr. GUTHRIE: The coal that comes in there for the salt works comes in free of duty by act of this government, does it not?

Mr. ELLIOTT: I rather think it does.

Mr. MANION: Would the minister give us the number of vessels arriving at and departing from the Saugeen river?

Mr. ELLIOTT: Perhaps we had better finish with Kincardine while we are at it.

Mr. McGIBBON: What was the value of the imports at Kincardine?

Mr. ELLIOTT: I gave my hon. friend the value of the fishing catch, $26,392. I have also given the tonnage of coal; I have not the value of that. I have a couple of letters from the Dominion Fuel Board dated April 4 and April 12, 1929, expressing the views of that board with regard to the value of this harbour, if my hon. friends would be interested in hearing them.

Mr. McGIBBON: Would the minister tell us why they are on file?

Mr. ELLIOTT: I would think perhaps my hon. friend would understand why information in regard to these harbours is on file.

Mr. McGIBBON: I think I do.

Mr. ELLIOTT: I am glad to know that. First of all, it is information for the minister and the officials of the department to help them in arriving at the necessity for money to be provided in the estimates for these places, and afterwards it is for the committee to assist them in passing upon these items. This is the information:

During 1928 somewhere in the neighbourhood of 25,000 tons of water-borne coal was shipped into this port from Fairport, Ohio. The cost of moving this coal would come to approximately $2.40 to $2.50 per gross ton, made up as follows:

Mines to lake port (including loading)	$1 46
Water rate	50
Unloading charges at piers	50
	$2 46

I have no information as to the amount of coal hauled all-rail to this point, although I would imagine that the greater tonnage of coal used at Kincardine would be water-borne coal.

Mr. SPOTTON: Oh, no.

Mr. ELLIOTT: Perhaps my hon. friend knows better than the experts, but I would not have thought so.

The rail haul from a lake port on the Canadian side to Kincardine could not compete with water-borne coal moving up the lake at 50 cents per gross ton. Although I have not checked an all-rail rate to Kincardine from such a point of origin, I cannot see how a combination rail and water route would get in less than $3.50 per net ton.

This point is not shown in the Bureau of Statistics report covering coal importations into Ontario, but surrounding territory such as Goderich, Collingwood, and Owen Sound, import from 120,000 to 130,000 tons of coal per annum. This includes both anthracite and bituminous.

This is just a general picture of the situation made rather hurriedly, but within the next few days, if you so wish, I will make every effort to amplify same if you feel it will be of any use.

* * * * *

Further to my letter of the 4th instant to Mr. R. de B. Corriveau, and in reply to your letter to me of the 10th instant, with respect to coal importations into Kincardine, Ontario, I have now before me data showing fuels used for domestic consumption at that point for the year 1927. This, combined with the tonnage of industrial bituminous coal quoted in my letter of the 4th instant would appear to give a representative picture of the annual tonnage of coal handled. The summary is as follows:

1928

Industrial coal (imported from Fairport, Ohio, 25,000 net tons.

1928

Domestic coal and coke Pennsylvania anthracite, 2,962; United States bituminous, 455; Coke, 2,000.—Total 5,417 net tons.

Or a total potential market of slightly over 30,000 tons per annum.

Domestic coal and coke would come in all-rail via Black Rock or Bridge, the rate on bituminous coal being as follows:

Mines to Black Rock, $2.09; Black Rock to Kincardine, $1.70.—Total, $3.79 net.

Anthracite and coke would carry a still higher rate.

All coal moving to Kincardine by rail last year came via Niagara Falls or Black Rock.

Mr. SPOTTON: When I said no, I should like to explain I thought the writer was speaking of domestic, not industrial coal.

Mr. ELLIOTT: I beg my hon. friend's pardon, I did not so understand him.

Mr. CANTLEY: Will the minister give out the names of the all-wisest who compose the fuel board and whose authority he quoted just a moment ago?

Mr. ELLIOTT: I do not think anybody but my hon. friend characterizes them as the "all-wisest," but it is not a bad term after all. Doctor Camsell is the head of the fuel board. I am not able to give my hon. friend the names of the other members, but I shall be very glad to get them for him.

Mr. CANTLEY: We should be glad to have them, sir.

Mr. ELLIOTT: All right.

Mr. MANION: Will the minister state what the $55,000 was spent upon? I do not know if that was given earlier in the day.

Mr. ELLIOTT: I shall be glad to give it again. It is required for the following work which the district engineer reported as necessary at this place:

(1) To complete contract 15,862, Henry & Ross, rebuilding superstructure of north pier, in concrete, at two points for length of 300 feet strengthening one section with face piles and other section 100 feet long completely renewed pile substructure. (This contract commenced 1928.)—$12,000.

(2) To complete contract 18,003, Henry & Ross, rebuilding superstructure of north pier, in concrete, for length of 200 feet (let in 1929). —$13,000.

(3) Maintenance dredging in entrance channel to depth of 20 feet, total length approximately, $18,500.

(4) Reconstruction of 60 feet of wall on south side adjacent to the Huron Terrace bridge, to be sheet pile with concrete superstructure, including removal of present wall, $8,000.

Minor repairs to piers, inspection and contingencies, say, $3,500.—Total, $55,000.

Mr. MANION: How much after this $55,000 will be required to finish the work?

Mr. ELLIOTT: This is all that is contemplated at the present time. More work will have to be done. $24,469 was spent last year.

Mr. MANION: I suppose if the election is put off another year there will be a further $55,000 or so for this section.

Mr. ELLIOTT: I do not think the dectruction by storms is affected in any way by elections, and the silting at Kincardine has been pretty uniform, no matter whether there was or was not an election pending.

Mr. MANION: Of course the storm of an election is coming on. Bearing in mind the number of boats that go into Kincardine, I think a good deal of the money has been spent for election purposes. Only twenty-seven boats went into Kincardine last year. We have as many boats nearly every day at the head of the lakes. This looks to me very much like political expenditure.

Mr. ELLIOTT: Of course I am not of a suspicious mind like my hon. friend.

Mr. MANION: You are not suspicious of your own people.

Mr. ELLIOTT: No, I am not, and I doubt if I have much reason to be suspicious of the people to whom my hon. friend is referring.

Mr. MANION: I would think the minister would have a good deal of suspicion in view of the immense sum of $268,000 having been spent in North Bruce in the last six years.

Mr. ELLIOTT: In order to dispel my hon friend's suspicions, which seem to come so readily to him, I may say that in 1927-28 we spent $33,844; in 1928-29, $43,189; and in 1929-30, getting much nearer an election we spent only about half of the 1928-29 figure This hardly bears out my hon. friend's suggestion.

Mr. MANION: But this year I notice you have doubled the expenditure again in Kincardine, and you are getting closer to the election.

Mr. ELLIOTT: I suppose we are getting nearer to it.

Mr. SHORT: Is there any revenue collected from these wharves in the way of top wharfage and side wharfage?

Mr. ELLIOTT: I am afraid my hon. friend will have to ask the Department of Marine with regard to that. I understand there is wharfage collected by that department.

Mr. SHORT: The minister cannot give us figures as to the revenue collected from that source?

Mr. ELLIOTT: I cannot give figures collected by another department.

Mr. SHORT: I understand it is about $8 a year.

Mr. ELLIOTT: I would not think that that statement was exaggerated.

Mr. McGIBBON: How many boats visit that harbour each month, and in what months?

Mr. ELLIOTT: I am afraid the best I can do for my hon. friend is to give him the number of boats that came in in the season.

Mr. McGIBBON: Can the minister give us the tonnage of those boats?

Mr. LAPOINTE: Hardly.

Mr. ELLIOTT: No; I can give you the tonnage they brought in.

Mr. McGIBBON: I must submit that the minister has made a very poor defence. I quite agree with the hon. member for Fort William that this is nothing but political expenditure. I must object to the money of this country being prostituted for such conditions as that.

Mr. ELLIOTT: All I can say to my hon. friend is that I am sorry his judgment is not more favourable, but I do not know what I can do to improve it.

Mr. McGIBBON: We all admire the minister's frankness in agreeing with us.

Mr. CANTLEY: The situation is worse than my friend suggests. The minister proposes to spend $55,000 for a wharf to enable 25,000 tons of coal to be brought in duty free in order to help out the friends of the Minister of Trade and Commerce. He will remember that two years ago the matter was discussed in this house, and somebody wanted to know who had asked that the duty be reduced on coal for use in the evaporation of salt. Somebody was bold enough to say that no one had asked for it. The Minister of Trade and Commerce denied it, and said he had asked for it, though nobody had requested it. In other words the salt refiners had not asked for it, but the minister had. Put the loss of revenue plus your expenditure of $55,000 to the debit account of the Minister of Trade and Commerce.

The CHAIRMAN: There were three items allowed to stand. The first was:

Lion's Head—wharf repairs, $4,200.

Mr. MANION: The minister gave me figures for the last six years. He said $24,700 had been spent at Lion's Head. What was that for?

Mr. ELLIOTT: The present item is an item of $4,200. This work was requested by the district engineer in his annual estimates, and is required to complete the repairs to this pier which had been seriously damaged by storms during 1928. The fishing catch at this place amounts to forty tons annually. The engineer's report says that the proposed repairs are required to maintain the existing structure. This amount of $4,200 is required to complete the repairs to the pier resulting from damages sustained in 1928. It is urgently necessary, according to the statement of the engineer, that the above amount be included in the estimates, as this is a most important point north of Wiarton on the Bruce peninsula. The amount spent there in 1928-29 was $17,811; in 1927-28, $8,197, and in 1926-27 $189.25.

Mr. SHORT: What is the other business carried on at this point, with the exception of the 40 tons of fish landed there? Forty tons of fish is about one week's catch for one of our good-sized fishing boats.

Mr. ELLIOTT: The success of fishing is in the report that you give. I see my hon. friend does that very well. May I just give him this information, which I think will satisfy him. If my hon. friend will look at the map he will see that this place has no railway facilities. It is in an isolated position, some distance from railway communication, so that all the business for that section of the country has to be done by water transportation. In 1928 the traffic was as follows:

Hay, 850 tons at $15 a ton..	$ 12,750
Cattle, 2,000 tons at $80 a ton.. ..	160,000
Hogs, 1,000 tons at $33 a ton..	33,000
Sheep, 1,500 tons at $14 a ton.. ..	21,000
Fish, 40 tons at $300 a ton..	12,000
Total..	$238,750

Mr. LAPOINTE: We will have to increase the facilities.

Mr. ELLIOTT: Yes, as the business increases.

Mr. MANION: How many boats arrived there last year?

Mr. ELLIOTT: I cannot give my hon. friend that information.

Mr. SHORT: That is more business than they did at Kincardine. We will have to let this item pass.

Mr. ELLIOTT: It is big business for the expenditure involved.

Mr. MANION: You have balanced it pretty well, because the other is a big expenditure for the business involved.

Item agreed to.

Port Elgin—breakwater repairs, $15,000.

Mr. ELLIOTT: In connection with Port Elgin I would say to my hon. friend that the

expenditure for the last six years was $4,334.58. If my hon. friend thinks it is time well spent I will give the details.

Mr. McGIBBON: The minister might give us the major items.

Mr. ELLIOTT: There are not many major items, when you consider that the total expenditure last year was only $27.75. For the year before the total expenditure was $291.82.

Mr. McGIBBON: The minister did not understand my question; I meant the major items of trade.

Mr. GUTHRIE: Had any boats called there at all?

Mr. ELLIOTT: I will give to my hon. friend the information that I have. This amount was requested by the acting engineer to repair the damage done to this breakwater by storms. It is in a very bad state of repair and must be maintained to prevent the channel from filling in. It is in danger of destruction by heavy seas. About sixty tons of fish valued at $18,000 were shipped from here in 1927, when the channel was in good condition, and it is expected that the fishing will increase in future with the use of larger boats carrying gill nets when the channel is dredged. It is also a summer resort.

Item agreed to.

Port Stanley—harbour repairs and improvements, $150,000.

Mr. MANION: Before we adjourned at six o'clock the minister and the hon. member for West Elgin (Mr. Hepburn) were explaining some points in connection with this item. I wanted to ask the minister as to the amount of business passing through this port, and particularly whether Port Stanley was one of the places which had one of the liquor export docks.

Mr. HEPBURN: No, it was not; there was no liquor export dock there. When the house adjourned at six o'clock hon. gentlemen opposite were taking mild exception to this vote of $150,000.

Mr. MANION: No, we were just asking for information.

Mr. HEPBURN: I am sure if hon. members opposite understood the merits of this item they would not question the expenditure. Port Stanley is situated at just about the centre of the north shore of lake Erie, and serves as the distributing centre for a large part of western Ontario. The chief business there is the bringing in of bulk coal; the bringing in of coal by the ferry company and the bringing in of tourists on the daily boats which ply between Cleveland and Port Stanley. There is also the fishing industry, and the Canada Steamship Lines make Port Stanley a port of call.

I do not want to take the time of the committee in quoting a lot of figures, but I might just show how the business has increased. With regard to bulk coal, 17,000 tons were brought in during 1925, while in 1929 that increased to 177,000 tons. In 1925 the ferry company brought in 174,000 tons of coal, while in 1929 they brought in 251,000 tons. The total merchandise brought into Part Stanley in 1925 amounted to 191,000 tons, and in 1929 that figure increased to 428,000 tons. Had there been increased facilities there for warehouses, according to the engineer's report business would have been much greater. Port Stanley is also a celebrated summer resort, with a line of steamships running to Cleveland. In 1926 there were 14,900 passengers brought to Port Stanley on these boats, and that number increased in 1928 to over 20,000 passengers; in fact during 1928 and 1929 approximately 40,000 passengers came from Cleveland; bringing with them 6,258 automobiles. While we cannot get any accurate estimate, I would judge that these people during the two years spent close to $800,000 in that vicinity. The amount of customs duties collected there has increased from $19,000 in 1925 to $107,000 in 1929, and that in itself represents only a small portion of the dutiable goods which passed through that port, because we must remember that the 251,000 tons of bituminous coal, a large portion of which was dutiable, was consigned to other ports. In fact, goods are manifested through Port Stanley for 98 inland ports. Practically all this trade is carried over the London and Port Stanley railway which is owned by the city of London. This is a very good source of revenue for that railway as otherwise there would be a larger deficit which would have to be made up by direct taxation on the people of London. This port not only serves the county of Elgin but, as I have said, is the distributing centre for practically the entire southern peninsula. I am sure my hon. friend from Hamilton will not object to this vote, because at the present time the coking plant in that city brings in a great deal, if not all, of its coal through Port Stanley. This coal travels to London over the London and Port Stanley railway and then goes to Hamilton over the Canadian National.

I think that is all I need say, unless my hon. friends desire further information. I might add that in southern Ontario the people appreciate very much the facilities which are being provided for the increased business there by the Department of Public Works, and I am sure if my hon. friend from Pictou understood the situation he would not object to this item.

Mr. MANION: There was no export dock there?

Mr. HEPBURN: No, but on perhaps four or five occasions liquor was shipped out of Port Stanley directly from freight cars into a rum running boat. There was no licensed liquor export dock there.

Mr. SENN: I fully realize the importance of Port Stanley. Just before six o'clock I was asking the minister whether the department had received any assurance that a coking plant was to be established at that place. Up until last year the facilities were quite adequate to accommodate all the traffic at Port Stanley; I think there can be no doubt of that. Is it not a fact that the new facilities at Port Stanley were to be the deciding factor as to whether that coking plant should be established there or whether it would go to another port on lake Erie, Port Maitland, which has facilities which are perfectly adequate? From what I understand of the situation it seems that if these facilities were not established at Port Stanley possibly the coking plant would not have gone there. Has any assurance been given to the department that a coking plant will be established there if the facilities are increased?

Mr. ELLIOTT: The department has not taken sides as between Port Stanley and Port Maitland or any other port; we are only trying to provide for the business which comes to these ports or which is in prospect through the efforts put forth by the people in the vicinity. We do not take sides as between these different ports. There is no definite assurance with regard to the coking plant, although there is a fairly definite assurance that they expect to locate there. There is nothing binding them as far as the department is concerned, and there is nothing binding the department to provide any facilities for them. Every new industry which proposes to locate anywhere receives very sympathetic consideration at the hands of the department. If Port Maitland or any other port has an industry in prospect, nothing is done by the department or any of the officials to divert that industry to any other port.

Mr. SENN: I am sure the explanation of the minister is satisfactory as far as it goes. He told us before six o'clock that these facilities probably would be needed, but I do not think there has been any damage to the facilities which were there previously; the piers are not particularly out of repair. Will the additional facilities to be provided by this vote of $150,000, together with the $50,000 spent last year, be sufficient if a coking plant is established at Port Stanley?

Mr. ELLIOTT: No, these facilities are just for the present needs at that point. If a coking plant is established there, further substantial expenditures will be necessary; and from all the information we have we believe more business is expected. My hon. friend has been told of the increase in business at Port Stanley in recent years, and I am told that the only reason that increase has not been greater is that the facilities would not take care of any further increase.

Mr. SENN: I think the hon. minister will agree with me that the same increase in business would apply to the other ports on that great lake.

Mr. ELLIOTT: I am delighted to say that that is correct; all those ports are doing very well.

Mr. SENN: I am sorry to have to say that most of the goods are coming into the country rather than being exported. I think the member for West Elgin made the statement that most of the coal coming into that port goes to Hamilton, and that practically all the supplies for the coking plant at Hamilton come through Port Stanley. I am afraid he is misinformed in regard to that, because a considerable amount of traffic comes through Port Maitland to go over the Toronto, Hamilton and Buffalo Railway, not only for Hamilton but for other points. I do not wish to press this matter further, but it seems to me that we should be very careful about these expenditures.

Item agreed to.

Rondeau—harbour repairs and improvements, $49,000.

Mr. MANION: Would the minister explain this item?

Mr. ELLIOTT: Of this amount, $8,700 is a revote from 1929-30. It is required to complete the contract with the Chatham Dredging & General Contracting Company for repairs to the east pier and provide for repairs to the east and west piers during 1930-31. During the season of 1928 coal imported amounted

to 482,743 tons. The fishing catch for that year was valued at $48,345. The proposed work is as follows:

1. To complete contract 19033, Chatham Dredging & General Contracting Company, repairs to east pier, $10,750.
2. To continue reconstruction east pier, further 250 feet, $26,750.
3. Shore protection—250 feet of concrete cribbing at each end of existing shore protection with timber substructure, $7,500.
4. Repairs to west pier, $3,250.

Inspection, say, $750.
Total estimated cost, $49,000.

Mr. MANION: What constituency is that in?

Mr. ELLIOTT: That is in Kent.

Item agreed to.

Sarnia—harbour improvements, $75,000.

Mr. MANION: Will the hon. minister explain this item?

Mr. ELLIOTT: This amount is required to complete two dredging contracts and to commence the construction of a public dock and warehouse to provide for a large and increasing traffic in package freight. At the present time there is no public dock at this place to accommodate this traffic, and there is no place where tramp steamers can dock for supplies. The dredging completed in 1929, for which there is a balance owing to the Canadian Dredging Company, Limited, was required to accommodate the heavy grain traffic and relieve the congested condition of this harbour. A new elevator with a capacity of 1,000,000 bushels was constructed in 1927, and this has been enlarged to 3,000,000 bushels capacity. Over 10,000,000 bushels of grain are handled per season.

Item agreed to.

Saugeen river—harbour repairs and improvements, $35,000.

Mr. MANION: Will the minister explain?

Mr. ELLIOTT: This amount is required to continue repairing the harbour work at this place for the benefit of the fishermen, whose annual catch amounts to 184 tons, valued at $48,900. It was decided in 1929 to abandon the Chantry island breakwater at Southampton owing to its costly upkeep, and in view of the fact that these works at the mouth of the Saugeen river provide a more satisfactory and economical harbour for the fishing boats.

Mr. MANION: What is the traffic going through that port?

Mr. ELLIOTT: A considerable quantity of lumber and logs is brought to this port each year. For the season of 1927, 700,000 feet board measure of timber were unloaded. The fishing catch for the season of 1927 amounted to 248 tons, with an estimated value of $65,840.

Mr. SPOTTON: This will be the only public work carried out at Southampton and vicinity?

Mr. ELLIOTT: Yes.

Mr. SPOTTON: You have abandoned the works at Southampton?

Mr. ELLIOTT: Yes.

Mr. SPOTTON: I think that is a very wise move.

Mr. McGIBBON: Will the minister tell us how badly this constituency has been neglected in the past to need so much nursing at the present time?

Mr. ELLIOTT: All I can say to my hon. friend in that regard is that Southampton is about the only place where we have abandoned works of this character. It was considered desirable not to make any further investments at Southampton. I think this change is desirable, although it has not been very acceptable to the people at Southampton.

Mr. MANION: Is Southampton in the same constituency?

Mr. ELLIOTT: Yes.

Item agreed to.

Telegraph narrows and Pointe Anne—dredging, $75,000.

Mr. SHORT: Will the hon. minister tell us in what constituency this is, and also give us a little information regarding the item?

Mr. ELLIOTT: This is in the constituency of South Hastings. This work was requested in letters from the Canada Cement Company of Montreal, dated April and November, 1925; also by the Canadian Industrial Alcohol Company, Limited, and the chamber of commerce of Belleville. This dredging is required to provide facilities for the importation of coal and for the shipping of cement and alcohol products. The plant of the Canada Cement Company at Pointe Anne has an annual output of approximately 1,500,000 barrels of cement. One million dollars worth of freight is taken in and out of Belleville annually.

Item agreed to.

Toronto—repairs to pier, $3,000.

Mr. MANION: Does the minister not think that this is too much for the city of Toronto?

Mr. ELLIOTT: Nothing is too much for the city of Toronto.

Item agreed to.

Wabigoon—wharf extension, $2,500.

Mr. MANION: What is the business carried on at Wabigoon?

Mr. ELLIOTT: This work was requested by the residents of Wabigoon in a petition forwarded by the Minister of Labour on February 27, 1929, and is required to provide adequate facilities for the handling of increased traffic due to the mining development. This extension would also be of great benefit to boats using this harbour during rough weather.

Mr. MANION: I shall not object to this at all because I like to see anything given to northern Ontario. At the same time I might point out that the mining development in that vicinity has not been great. A few prospectors were working outside of Wabigoon and I understand they closed down some time ago. I hope, however, they will get this.

Item agreed to.

Windsor—harbour improvements, $65,000.

Mr. MANION: Would the minister kindly give us the details of this?

Mr. ELLIOTT: The department has been approached by the International Terminals Limited, Windsor, Ontario, L. A. Merlo, president, and by the Canada Steamship Lines in connection with the proposal to develop a cold storage warehouse at Windsor on government property and adjacent thereto, to develop a combined water and rail package freight transfer dock and warehouse. We are holding in abeyance action on the proposal to enlarge the existing warehouse on the government dock at Windsor in order to see if the proposal now made is feasible and warranted. It is proposed that this department undertake the construction of a dock built along the harbour line in the Detroit river, off the Canadian National railway yards, west or downstream of Devonshire street. It is thought that a wharf frontage about 800 feet long would accommodate both vessels at the cold storage warehouse and at the adjoining package freight warehouse. It would be proposed that the area in rear of the dock would be filled and a portion of the dock and the government land, being the filled area of the water lot, be leased to the International Terminals Limited upon a long term lease at suitable rental. It is proposed that the other section of the dock property be also filled in rear, where it is now water lot, and the department construct on it a freight warehouse 80 feet wide, of suitable length, and that this dock, land and warehouse be leased on suitable terms to the Canada Steamship Lines, which company would release their present holdings on the present government dock, leaving that wharf and warehouse for the accommodation of the general public of the Border Cities area in respect to passengers and freight. The Canadian National Railways have expressed their desire to cooperate and give rail connection to the cold storage warehouse and to the package freight warehouse. They would lay their rails both along the water side and the rail side of the cold storage warehouse and the package freight warehouse.

Item agreed to.

Harbours and rivers—Saskatchewan and Alberta—Alberta Beach (Alberta), Lac Ste. Anne wharf extension, $3,800.

Mr. ADSHEAD: Might I ask the minister to give us a little information on this?

Mr. BLATCHFORD: I can explain this. At Lac Ste. Anne, which is situated about fifty-five miles west of Edmonton, a great deal of fish is caught and shipped out to different points. About two years ago, I think in 1928, the government built a landing wharf and the water receded in the meantime leaving the wharf high and dry. This item of $3,800 is for the purpose of extending the wharf out to deep water.

Mr. ADSHEAD: I am not objecting to this item at all. I just wanted to have it pointed out where it was and what it was for. I hope to be able to use this as a peg on which to hang something for the rivers in southern Alberta. I thing I mentioned to the minister some years ago and even last year that the Bow river at the city of Calgary had its course diverted considerably for two reasons: first, on account of the government giving a company the right to put a dam across the river, throwing the whole course of the river against the government's own boulevard. In the second place the government took no care to protect its own boulevard and because of that, the river washed into the city and washed a large part of its property away. The city endeavoured to fill in between the groins with stone. The Department of Public Works or the irrigation department for a time even endeavoured to stop the city from filling in between the groins, because it was represented to them they would be throwing the river back on its old course. I pointed out last year that the government gave a grant of $15,000 to protect the banks of the Highwood river. I did not object to that, but I make a plea to the Minister of Public Works

that the city of Calgary ought to be assisted in some way. I would not ask the department to put the river back again to the old line. It eroded its banks to the extent of nearly 200 yards. We have to fill in between the groins to keep the erosion from going further into the banks or it would wash them clean away to the foot of the hill, and I suggest to the Minister of Public Works that either in these or in the supplementary estimates he make a small grant to the city to assist them in reclaiming part of the property that was washed away, through the government's own fault because they would not protect their own boulevard and because they granted a permit to a company to put a dam across the river.

Mr. SPOTTON: With the permission of the minister I rise just to expedite matters. When I came into this house this evening some hon. member on this side said that inasmuch as I had not been present when the Goderich harbour improvement item was called, it was left open. I do not want to speak on it. We are delighted at the treatment the minister gave us last year and we hope he will not weary in well doing. I am well aware that the deputation that came to Ottawa presented the matter thoroughly and the minister has it fully before him. If that item was left open, the Ontario estimate can be closed now. I just wish to expedite the business of the house.

Mr. MANION: Might I ask whether the Goderich item carried? I think it did.

Mr. ELLIOTT: Yes.

Item agreed to.

Mr. GUTHRIE: We have made pretty good progress and many of our British Columbia members are not present. It is now ten o'clock would the minister consent to have the committee rise?

Mr. ELLIOTT: I should like to meet the convenience of my hon. friends, and I appreciate the manner in which they have discussed the various items. It is difficult, however, for me to get time for public works estimates and if we could get these items through it would be in the interest of the different sections of the country involved. I do not want to urge unduly, but I am taking a train at eleven o'clock and perhaps we might sit till quarter to eleven.

Mr. McRAE: I think there are enough of the British Columbia members present for us to proceed.

Mr. ELLIOTT: Thank you very much. I do not wish to curtail criticism at all, because I think it is helpful. Still, the sooner we get these estimates through—

Mr. GUTHRIE: The sooner the election comes.

Mr. ELLIOTT: —the sooner the various officials will be able to get to work and the works will be started.

Harbours and rivers—British Columbia—Coal Harbour—wharf, $9,000.

Mr. McRAE: Would the minister explain this item?

Mr. ELLIOTT: This amount is asked to be provided for the construction of a wharf 60 feet by 40 feet, with an approach 358 feet by 14 feet. The proposed work is asked for by the member for Comox-Alberni, and is required to make it possible for freight and mail from Vancouver brought by motor trucks from Hardy Bay to be transshipped directly on to tug boats going to Port Alice and other points on Quatsino Sound.

Mr. ADSHEAD: By whom was this work recommended?

Mr. ELLIOTT: By the member.

Mr. ADSHEAD: Is the minister in the habit of considering recommendations from members, because, if so there are some that I should like to make.

Item agreed to.

Comox lake—float, $4,300.

Mr. McRAE: What is the explanation of this item?

Mr. ELLIOTT: This amount is required to provide for the completion of a float 60 feet by 40 feet at Comox Lake, also known as Puntledge lake. During 1929-30 the approach was constructed. This float is necessary to serve the rapidly growing needs of the district and to provide a quick means of access to the adjacent town of Cumberland. It would also enable the accident cases in the camps to reach the hospital at Cumberland in a short time. The Comox Logging Company operating at this place employs 250 men, but will increase the number to 500 when operations are fully under way. Fifty men are employed by the K. and K. Pole Company, and five firms operate private launches here.

Item agreed to.

Deserters Canyon—improvements, $2,000.

Mr. FRASER: What are these improvements?

Mr. ELLIOTT: This amount is required to provide for the construction of a tow path

along the bank of Finlay river through Deserters Canyon. The proposed work is requested by the district engineer. The construction of this tow path will allow the freighters to line their boats up and down stream instead of unloading and packing over a long and difficult trail over the walls of the canyon.

Mr. FRASER: That is on the upper Peace river. Might I ask what work has been proceeded with during the current year at the Peace river rapids, just below the junction of the Finlay and Peace rivers?

Mr. ELLIOTT: We have the details here only of the works that have been going on in the places for which votes are being asked, and my hon. friend will readily understand that we have not the details with respect to places for which votes are not included in the estimates.

Sir GEORGE PERLEY: But the minister could make a note of the question, and send a memorandum to the hon. member on Monday.

Mr. ELLIOTT: I shall be very glad to do so.

Mr. FRASER: Was an amount provided in last year's estimates for the improvement of the Peace river at the Peace river rapids?

Mr. BLATCHFORD: My hon. friend, I believe, is speaking of that part of the river just below the Finlay forks. I would advise the Minister of Public Works to take into consideration the necessity of improvements at that point, for it is a very hazardous place, passing up or down. Some improvements should be made there.

Mr. ELLIOTT: What is the name of the place? Is it the Finlay forks?

Mr. FRASER: Just below the forks.

Mr. ELLIOTT: There was nothing last year.

Mr. FRASER: Has there been any work going on there?

Mr. ELLIOTT: I think probably out of the general vote there was some work done at that point.

Mr. FRASER: Out of last year's general vote for harbours and rivers?

Mr. ELLIOTT: That would be the vote if there was any work done. There was no special estimate. If any work were done there, it would be done out of the general dredging vote.

Item agreed to.

Fraser Lake—wharf repairs, $1,200.

Mr. BARBER: What is this for?

Mr. ELLIOTT: This amount is requested by the district engineer to provide for general repairs required to the wharf, which was damaged by the action of the frost and ice. There is a small settlement at this site, but it is a railhead for a considerable area in which logging and farming is carried on extensively.

Mr. FRASER: When was that wharf built?

Mr. ELLIOTT: It was built in 1924-25-26, at a cost of $2,867. It is a pile structure, 606 feet long.

Item agreed to.

Fraser river—north arm—extension to jetty, $40,000.

Mr. LADNER: I want to commend the government, the minister, and his department for providing for the extension of this jetty. Whether or not the amount provided is sufficient is a question. The north arm of the Fraser river is gradually becoming, and as the days go by will more rapidly become, the centre of the industrial portion of Vancouver city. The recent decision of the Board of Railway Commissioners granting a through rate on freight over the Canadian National Railway, as over the Canadian Pacific, will be an added influence in the development of industries in that district. I wanted to inquire whether or not under this vote the jetty will be extended into the straits to a point where the cross currents will not fill in the mouth of the river.

Mr. ELLIOTT: It does go out into the straits. It will extend 1,000 feet from where it is at the present time.

Mr. LADNER: What I want to know is whether this vote be sufficient to extend the jetty to a point in the straits where the cross currents will not fill in the entrance to the river?

Mr. ELLIOTT: I suppose one cannot tell that until it is actually constructed. I have a map which I shall be glad to show my hon. friend.

Mr. LADNER: I take it from the minister that the intention is to extend that jetty out into the straits so as properly to protect the entrance of the river from cross currents and ultimately enable traffic to get up there. The officers of the department know it is uneconomic to allow the jetty to remain in its present position, because it does not extend

far enough out to prevent the filling in of the river by cross currents, and this filling in of course necessitates dredging.

Item agreed to.

Fraser river—north arm—dredging, $28,000.

Mr. McRAE: Why was there a carry-over of $28,000 from last year? Will the work be completed this summer?

Mr. ELLIOTT: The contractors were delayed in getting started last year and were not able to complete their contract. This is to provide for its completion.

Mr. McQUARRIE: What does this contract include?

Mr. ELLIOTT: An order in council was passed on October 17, 1929, accepting the tender of the British Columbia Bridge and Dredging Company at fourteen cents per cubic yard place measurement for the dredging of approximately 678,270 cubic yards class B material in the north arm of the Fraser river, entailing an approximate expenditure of $94,957.

Mr. McQUARRIE: In what part of the river is the work being done?

Mr. ELLIOTT: These various cuts are shown on a plan which I shall be glad to have my hon. friend look at. These are the various cuts:

	cu. yd.
Cut No. 1—300′ wide by 3,500′ long at outer end jetty..	221,200
Cut No. 2—150′ wide by 7,500′ long west of Marpole bridge..	269,700
Cut No. 2A—150′ wide by 3,000′ long at Marpole..	74,000
Cut No. 5—150′ wide by 6,000′ long at 4½ miles east of Marpole.. ..	113,370
	678,270

Mr. McQUARRIE: What depth will this give up to New Westminster when the work is finished?

Mr. ELLIOTT: The channel, I understand, will be 10 feet deep at low water.

Mr. McQUARRIE: All the way through to New Westminster?

Mr. ELLIOTT: Where improved.

Mr. McQUARRIE: The minister knows, of course, that this north arm runs up to New Westminster, and the channel is very much used, particularly for the towing of logs and of barges. I am interested to know whether when the work is completed there will be a ten foot channel right up to New Westminster, or is it contemplated that further work should be done?

[Mr. Ladner.]

Mr. ELLIOTT: The engineer has been instructed to make a report showing at what points further work will be required in order to give the desired channel right up to New Westminster. It is intended to make a channel ten feet deep at low water.

Mr. McQUARRIE: Is it contemplated that the work will be proceeded with as soon as possible?

Mr. ELLIOTT: It will depend on how much is found necessary to be done. After the report is in the matter will be considered in regard to how much will be proceeded with as the next part of this improvement.

Mr. McQUARRIE: It is quite true, as the member for Vancouver South (Mr. Ladner) said, the north arm is becoming very important. My constituency is interested in that channel as well as South Vancouver. There has been a good deal of delay in looking after the north arm. I congratulate the minister on the work he is doing, but I think it is very important, particularly in view of the development of the Canadian National Railways in that section, that the work on the north arm should be expedited as much as possible.

Item agreed to.

Fraser river—improvements, $250,000.

Mr. McRAE: What is contemplated by this vote, and will it finish the work?

Mr. ELLIOTT: What is proposed is the following work:

(1) Steveston north jetty—section 5—towards bringing section 5 up to grade by raising rock mound from low water level to 12 feet above low water level. Estimated cost, $150,000. Amount asked for 1930-31..	$ 98,000
(2) Annieville bar, extension to dyke, 1,800 feet long. Estimated cost..	27,000
(3) Steveston north jetty, section 6, towards contruction of section 6 (final section of Steveston north jetty). Estimated cost, $225,000. Amount asked for 1930-31..	50,000
(4) Sapperton bar. Towards construction of river training dykes. Estimated cost of dykes 1, 2 and 3, $51,000. To construct dyke No. 1.	25,000
(5) Steveston, south jetty, towards first section of south jetty. Estimated cost of first section 8,000 feet long, $370,000. To commence.. ..	50,000
	$250,000

My hon. friend of course knows that this is only the beginning of a much larger expenditure.

Mr. McRAE: That is all right.

Mr. McQUARRIE: What is the minimum depth in the main channel from New Westminster to the mouth of the river?

Mr. ELLIOTT: I understand it is 28 feet at low water.

Mr. McQUARRIE: The minister understands it is 28 feet at low water? I hope it is.

Mr. ELLIOTT: I find it runs from 16 to 18 feet at low water and from 27 to 29 feet at high water.

Mr. McQUARRIE: What is the objective now of the department in regard to the channel?

Mr. ELLIOTT: The objective is thirty feet at high water, and we are practically within one foot.

Mr. McQUARRIE: One foot, or two feet. When does that depth of twenty-eight feet prevail?

Mr. ELLIOTT: The following is the record of controlling depths of the Fraser river:

	Low water (Feet)	High water (Feet)
January 31, 1928..	16	27
February 29, 1928.. ..	18	28
March 29, 1928..	18	28
April 30, 1928..	18	27
May 31, 1928..	16	25
June 30, 1928..	17	26
July 31, 1928..	17	26½
August 31, 1928..	16	27
September 30, 1928. ..	16	26
October 31, 1928.. ..	17	27
November 30, 1928. ..	17	27
December 31, 1928. ..	17	28½
January 31, 1929..	17	28½
February 28, 1929.. ..	16	28
March 31, 1929..	17	28½
April 30, 1929..	18	29
May 31, 1929..	18	27
June 30, 1929..	17	27½
July 31, 1929..	17	27½
August 31, 1929..	18	29
September 30, 1929. ..	16	27½
October 31, 1929.. ..	17	29
November 30, 1929. ..	17	28½
December 31, 1929. ..	16	28½
February 28, 1930.. ..	16	27½

Mr. McQUARRIE: Are those the depths with a twelve foot tide?

Mr. ELLIOTT: Yes, I would say about a twelve foot tide. It is 27½ feet at high water and 16 feet at low water. The tide is between eleven and twelve feet.

Mr. McQUARRIE: The minister no doubt received a recommendation from a joint committee of citizens representing the New Westminster board of trade, the mayor and city council, the harbour commissioners and officials of Pacific Coast Terminals Limited in October of last year.

Mr. ELLIOTT: Yes, I remember that.

Mr. McQUARRIE: He has been told of the increase there has been in the shipping at that port from 1921, when we had only thirteen vessels and a net tonnage of 38,987 tons, to 1929, when we had 198 ships with a net tonnage of 625,271 tons. The representation of the joint committee was that there was difficulty experienced by shippers in that they required to have a minimum depth of thirty feet on a twelve foot tide. They have had instances recently of three or four lines of deep sea vessels that refused to come up the river, claiming that there was not sufficient depth. The minister, I have no doubt, is familiar with these facts. It is absolutely necessary to have a minimum draft of thirty feet. That is the objective set by the citizens of New Westminster and other points along the river, and the figure at which they have been aiming for a great many years. In the recommendation of that joint committee certain requirements were pointed out. The first was for the construction of 8,000 feet of the south jetty during the fiscal year 1930-31; the second was that the north jetty be continued to deep water; the third, that the Annieville training wall be extended downstream the necessary distance in order to eliminate the Annieville bar; and the fourth, that permanent construction be undertaken on the Sapperton bar so as to create a permanent channel of 700 to 800 feet on each side thereof. The first item, I understand, has been accepted by the minister.

Mr. ELLIOTT: They have all been accepted, and they are all being done.

Mr. McQUARRIE: How much will be done this year?

Mr. ELLIOTT: Shall I read to my hon. friend what is being done?

Mr. McQUARRIE: Do you propose to do all this work this year?

Mr. ELLIOTT: We propose to do this year what I read to my hon. friend a minute ago.

Mr. McQUARRIE: It will not complete the program.

Mr. ELLIOTT: No, but it is as much as can be done. It provides for $300,500. This work eventually will cost half a million, but we propose to begin on the $300,000 worth this year.

Mr. McQUARRIE: And leave about $200,000 for next year.

Mr. ELLIOTT: They may not complete their $300,000 this year, but they will do quite

a proportion of it. I have before me the recommendation about which my hon. friend spoke with regard to the various repairs, and they are all under way. I am glad to know of the excellent results that have followed the work that has been done by the department, as shown by the increased business there. That is fairly typical of the beneficent results that have followed the work of this department all the way through.

Mr. McQUARRIE: That may all be true, and it may be that the department has been doing some good work, but I would suggest that it has been rather slow.

Mr. ELLIOTT: No, not very slow, according to your figures.

Mr. McQUARRIE: The department has been a little bit slow. The minister knows this is not a political question at all, as will be seen by the nature of the organizations which joined in the recommendations. Owing to the developments that are taking place there, and owing to the fact that shipping is increasing to such an extent it is absolutely necessary that we should have a channel capable of accommodating the traffic. I must say that although we do appreciate the work that has been done, we are not altogether satisfied with the speed with which it is being carried out.

Mr. ELLIOTT: I do not know what would satisfy you.

Mr. McQUARRIE: The government has perhaps been working on it; no doubt the chief engineer and the deputy minister are interested, but at the same time we want results. We want to get ships in that are waiting to come into that port; as the minister knows, the port of New Westminster is becoming one of the great ports of Canada. There is no doubt that in a comparatively short time the Fraser river will be the industrial centre of the mainland of British Columbia. I know that the minister's colleague who sits to his left, the former incumbent of the office, is very much interested in the port of New Westminster, and he knows that what I am saying is perfectly correct. The people there are united in asking that the work be done as speedily as possible.

There is also another matter which came up for consideration just last winter, with regard to the ice in the river particularly above the Fraser river bridge. We had an unusually cold spell this year, and it looked as though there might be trouble both below and above the bridge. A channel was kept open below the bridge through the efforts

[Mr. Elliott.]

of this department, but the large industries which are situated above the bridge had to close down, adding greatly to the unemployment which prevailed this year. It seems to me it would have been comparatively easy to have kept the river clear of ice both above and below the bridge, or at least to have kept a channel open. The suggestion I should like to make to the minister is that he and his officials consider the advisability of converting the dredge 303 into an ice breaker. I think that could be done at very little cost, simply by putting some sheets of steel on the bow. As the minister knows, this is a suction dredge and it could take enough water into its hold to give it the necessary weight. It has the power, and if the bow were reinforced with steel, which could be done at trifling expense, there would be no question as to her ability to keep the channel of the Fraser river open regardless of what kind of weather prevailed. The ice in that river comes from up above; as the minister knows, the river is several hundred miles long and the ice comes down from up above and causes this blockade at the bridge.

My suggestion to the minister is that the 303 is not very much good anyway for any other purpose; I am sure the deputy minister will not agree with me. The boat may be useful for some work on the river there, but as a general utility dredge it does not compare at all with the King Edward. I have said this before, but I am afraid my remarks have not had much effect. I think the 303 should be junked; it is an old dredge which was brought over from Germany, I believe, twenty-five or thirty years ago, and it is out of date. I do not suggest, of course, that there should not be a second dredge on the Fraser river, but I suggest that there should be a new dredge of the King Edward type constructed, and I think a lot of money would be saved if that were done. I have discussed this matter several times with the deputy minister, but he considers the results achieved by the 303 quite satisfactory. I do not believe that is so; I think it would be a good idea if we could get rid of that 303 except for use as an ice breaker or for work for which she is suitable. All she does is dig holes; she cannot construct a channel and never has been able to do so. All the channel work has been gone over by the King Edward after the 303 finished. The 303 simply digs holes and never finishes a job. I wish the minister would take up that matter with his officials and see whether it would not be good business to give us a new, modern dredge of the King Edward type on the Fraser river.

Mr. ELLIOTT: Since my hon. friend began his remarks I have taken up the matter at some length with my deputy and with the chief engineer, and they tell me that putting these sheets on the bow of the dredge would tend to make her nose down, and practically useless. I know my hon. friend has discussed this question with the officials before, but they do not agree with him. Neither do they agree with the theory that the 303 is not a good dredge and has not done effective work and is not still capable of a good deal of useful service.

With regard to the other remarks of my hon. friend, I must express appreciation of the appreciation which he has expressed. I quite agree with him that this is not a political vote; there are no politics in it at all, except that I think it is always good politics to do good work at a low price in order to produce good results.

Mr. McQUARRIE: Is this work being done under contract?

Mr. ELLIOTT: Yes.

Item agreed to.

Fraser river (lower)—operation of snag boat, $30,000.

Mr. BARBER: I understand this item provides for one boat. I should like to know what work this boat did last year and what part of the river it covered.

Mr. ELLIOTT: I understand it operated on the north arm of the river from the gulf of Georgia up as far as it could navigate. This $30,000 is to provide for the maintenance and operation of the snag boat, Samson, employed in the removal of snags and obstructions in the Fraser river between Chilliwack and the gulf of Georgia; for assistance in surveys and inspections; for minor repairs to floats and piers in nearby harbours, and for occasional work in Vancouver harbour.

Item agreed to.

Fraser river—contribution toward protection work at Canoe Pass, the municipality of Delta to contribute a like amount, $2,000.

Mr. BARBER: I have no objection to this item, but under this head I should like to know what is the policy of the government in regard to the protection of banks. This is a matter which I have brought to the attention of the department on more than one occasion. The government have contributed toward the protection of the bank of Nicomen island; I believe they bore all the cost of that work. They have also contributed to the cost of the protection of the bank at Agassiz and Rosedale, and the other day I brought to the attention of the government the case of Matsqui, where a very serious condition exists. I think the engineer has pointed out that it is very dangerous, and the department has been requested to contribute to the cost of that work. I should like to know just what is the policy of the government. It appears that in some sections assistance is given in protecting the banks; in other places the whole cost is borne by the government, and in still other places the department refuse to give any assistance whatever.

Mr. ELLIOTT: This is a matter of arrangement between the provincial and Dominion governments. In the case of the bank at Nicomen island, the dyke was built by the provincial government and the shore protection work was done by the federal government, acting through this department. It is a matter for negotiation in the various cases to which my hon. friend refers.

Mr. BARBER: In the matter of the protection work at Rosedale, certain work was done there last year with the understanding that the provincial government would contribute one-third of the cost, the federal government one-third, and the municipality the remaining third. Now I understand from the municipality that they have had a communication from the department stating that the department did not agree to contribute to the cost of this work. Both engineers were on the ground; it was important that the work be done at once, and it was done. The result has been that the municipality has had to contribute two-thirds of the cost, and they have applied to the department for a vote to cover the one-third which they understood to be promised. A precedent has been established in this respect because a few years ago the government contributed one-third of the cost toward the construction of a work in that district, and this is simply a continuation of that work. The municipality expected that the federal department would contribute towards this work, in fact I have just received a telegram to-night, as follows:

Has Rosedale protection work grant been included in estimates.

That is signed by the clerk of the municipality. This matter is very important and I hope the minister will give consideration to it.

Mr. ELLIOTT: I shall be very glad to give the matter my consideration. The circumstances in the two cases are quite different. On the former occasion negotiations were

carried on with the department and the department agreed to contribute towards the cost. On this occasion the municipality went ahead without any agreement and did the work and then asked the department for a contribution. No arrangement has been made up to the present time and the department does not see its way clear to make a contribution under the circumstances.

Mr. BARBER: The municipality understood that the provincial Department of Public Works at Victoria were taking the matter up with the department at Ottawa, and that the same understanding had been reached. Both the provincial and Dominion engineers were on the ground and the municipality understood that these negotiations had been concluded.

Mr. ELLIOTT: I cannot add very much to what I have said already. It is true that the engineers did go over the ground but no agreement was reached by which the Dominion government would contribute to the work. The municipality went on without that arrangement being consummated, and my hon. friend can understand quite readily that we do pretty well when we contribute to the works to which we agree to contribute. I do not think we can be expected to contribute to works which we have not agreed to contribute before they are started.

Mr. BARBER: Apparently this government has no stated policy in connection with this class of work.

Mr. ELLIOTT: It has a policy not to pay for work which it does not agree to pay for.

Mr. BARBER: It just depends upon whom the negotiations were taken up with. When both engineers were on the ground and the provincial department proceeded with the work, it was understood that both governments had agreed. There is the other matter concerning Matsqui dyke, which is a similar situation to that at Nicomen. Snags and jams have formed which in turn form bars, and a large gravel bar has formed just to the north of this point which has turned the river into the bank. The same situation exists at Nicomen. This is a very serious situation because if the dyke breaks at this particular point it will endanger not only 10,000 acres of land but also the right of way of the Canadian National railway. I think this matter is before the department at the present time and I hope before high water comes the department will give serious consideration to it.

[Mr. Elliott.]

Mr. ELLIOTT: This matter will have the very best consideration.

Item agreed to.

Glenannan—wharf, $2,000.

Mr. FRASER: Could we have an explanation of this item?

Mr. ELLIOTT: This is a revote of $2,000 to provide for the construction of a wharf now being completed by day labour.

Mr. FRASER: What is the estimated cost?

Mr. ELLIOTT: $6,400.

Mr. FRASER: Were tenders called for?

Mr. ELLIOTT: Tenders were called for, and two received. One was received from Edward A. Nolan, of Glenannan, for $6,000, and one from R. C. McCorkell, Vanderhoof, for $8,638.03.

Mr. FRASER: Why was not one of those tenders accepted?

Mr. ELLIOTT: Mr. Nolan would not carry out a contract in accordance with his tender, and we are doing it much cheaper than we could have done by contract.

Mr. FRASER: Has the work been completed?

Mr. ELLIOTT: It will be finished this year. There was $2,594 spent up to February 25.

Mr. FRASER: You have spent that much already and you are asking for $2,000 more to finish it?

An hon. MEMBER: Carried.

Mr. FRASER: No, this item is not carried, I want some information on it.

Mr. ELLIOTT: I am sorry to say I cannot give it to the hon. member to-night, as I must catch a train. I move that the committee report progress.

Progress reported.

On motion of Mr. Lapointe the house adjourned at 10.50 p.m.

Monday, March 31, 1930

The house met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 46, to incorporate The Premier Life Insurance Company.—Mr. Mercier (Laurier-Outremont).

INTERNATIONAL PEACE

PERMANENT COURT OF INTERNATIONAL JUSTICE, OPTIONAL CLAUSE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I beg to lay on the table a copy of the declaration under article 36 of the statute of the permanent court of international justice, with respect to the optional clause which was signed at Geneva on September 20, 1929, on behalf of the Dominion of Canada.

This declaration covers only part of a foolscap sheet, and with the permission of the house I would suggest it be printed in Hansard so that it will be available for reference by members in that form.

Mr. BENNETT: I think that is very desirable, Mr. Speaker.

Mr. ADSHEAD: I submit that a number of copies should be printed.

Mr. MACKENZIE KING: I have just suggested, and, the hon. leader of the opposition has agreed, that it might be preferable to print the declaration in Hansard; then it will be available to all hon. members.

Mr. ADSHEAD: There are others besides members of the house who would like to get a copy.

The declaration follows:

Permanent Court Of International Justice
Declaration made by the Hon. Raoul Dandurand, before signing the optional clause on behalf of His Majesty's government in Canada

Geneva, September 20, 1929.

On behalf of His Majesty's government in Canada and subject to ratification, I accept as compulsory "ipso facto" and without special convention, on condition of reciprocity, the jurisdiction of the court in conformity with article 36, paragraph 2, of the statute, for a period of ten years and thereafter until such time as notice may be given to terminate the acceptance, over all disputes arising after ratification of the present declaration with regard to situations or facts subsequent to said ratification, other than:

disputes in regard to which parties have agreed or shall agree to have recourse to some other method of peaceful settlement, and

disputes with the government of any other member of the league which is a member of the British commonwealth of nations, all of which disputes shall be settled in such manner as the parties have agreed or shall agree, and

disputes with regard to questions which by international law fall exclusively within the jurisdiction of the Dominion of Canada,

and subject to the condition that His Majesty's government in Canada reserve the right to require that proceedings in the court shall be suspended in respect of any dispute which has been submitted to and is under consideration by the Council of the League of Nations, provided that notice to suspend is given after the dispute has been submitted to the council and is given within ten days of the notification of the initiation of the proceedings in the court, and provided also that such suspension shall be limited to a period of twelve months or such longer period as may be agreed by the parties to the dispute or determined by a decision of all the members of the council other than the parties to the dispute.

R. Dandurand.

NATURAL RESOURCES

CORRESPONDENCE WITH MANITOBA, ALBERTA AND SASKATCHEWAN—ORDER FOR PRINTING

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to lay on the table copies of the correspondence with respect to the transfer of the natural resources as they relate to the provinces of Manitoba, Alberta and Saskatchewan. This is the correspondence subsequent to that which was brought down last session. The correspondence with respect to Manitoba relates almost exclusively to the fixing of dates for a conference and it would not serve any useful purpose to have it reprinted; but I think the correspondence respecting Alberta and Saskatchewan should be printed and made available in that form.

I would move therefore:

That 1,500 copies be printed in English and 750 copies in French of the correspondence between the governments of the Dominion and the province of Saskatchewan respecting the transfer of the natural resources of Saskatchewan tabled this day; and that standing order 64 be suspended in relation thereto.

Motion agreed to.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to move:

That 1,500 copies be printed in English and 750 copies in French of the correspondence between the governments of the Dominion and the province of Alberta respecting the transfer of the natural resources of Alberta tabled this day; and that standing order 64 be suspended in relation thereto.

Motion agreed to.

DEBATES COMMITTEE

Mr. E. J. YOUNG (Weyburn) moved:

That the select standing committee appointed to supervise the official reports of the debates of the House of Commons have leave to sit while the house is in session.

Motion agreed to.

PRINTING OF PUBLIC DOCUMENTS

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, before the order

of motion is proceeded with further, might I ask the right hon. Prime Minister (Mr. Mackenzie King) if he does not think that in connection with matters of great public concern the correspondence and papers should be tabled without a formal motion. It has been the custom in England to print what is called a white paper containing such documents. It has occurred to me that correspondence in connection with the Economic conference, for instance, should be brought down as a matter of duty rather than in response to a motion. There are other papers dealing with similar matters that it has been the custom in England, as I have said, to present to the house at once so that members might see them without a motion being made for the purpose. I think it is desirable in matters of great public importance to follow this practice.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I agree with my hon. friend as to the desirability of having important papers so tabled, but I would point out that where a number of copies are required for members of parliament, the formal motion to have them printed places the expense of the printing on parliament, rather than on one of the government departments. So long as my hon. friend will undertake not to criticize the department for expense to which it may be put in the printing, I will try to oblige him.

Mr. BENNETT: My hon. friend need not worry with respect to an important matter of that kind.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

EIGHT-HOUR DAY

Mr. ADSHEAD:

What progress has been made and what action has been taken to ensure to civil servants in Canada, and all employees of the Dominion government, the eight-hour day?

Mr. HEENAN: With respect to this question, Mr. Speaker, I assume that the hon. member (Mr. Adshead) has in mind two sets of employees, those in the government service and those engaged on government contracts. I may say that an order in council which was passed a few days ago gives the eight-hour day to the direct employees of the Dominion government. I am glad to table a minute of the privy council, and the order.

The documents follow:

P. C. 670

Certified to be a true copy of a minute of a meeting of the committee of the Privy Council, approved by His Excellency the Governor General on the 27th March, 1930.

The committee of the Privy Council have had before them a report, dated 19th March, 1930, from the Minister of Labour, submitting as follows:

1. That is was recognized in the labour part of the Treaty of Versailles and the corresponding provisions of the other treaties of peace, that the well-being—physical, moral and intellectual—of industrial wage earners is of supreme international importance, and that although differences of climate, habits and customs, economic principles and industrial traditions, make strict uniformity in the conditions of labour difficult of immediate attainment, there are methods and principles for regulating labour conditions which all industrial communities should endeavour to apply, so far as their special circumstances will permit.

2. That approval was expressed in the peace treaties of the principle of the eight-hour working day.

3. That a draft convention was adopted at the first session of the conference of the international labour organization (League of Nations) in 1919 to limit hours of work in industrial undertakings to eight hours per day.

4. That the draft convention above mentioned was referred in 1924 to the select standing committee on industrial and international relations of the House of Commons of Canada for examination and report.

5. That on the recommendation of the committee on industrial and international relations of the House of Commons, approved by the House of Commons, the draft convention on hours of work in industrial undertakings was referred by Order in Council to the Supreme Court of Canada with a view to determining the jurisdiction of the federal and provincial authorities, respectively, on this subject.

6. That the judgment of the Supreme Court of Canada contained the following declaration: "The subject matter is generally within the competence of the legislatures of the provinces but the authority vested in these legislatures does not enable them to give the force of law to provisions such as those contained in the draft convention in relation to servants of the Dominion Government, or to legislate for those parts of Canada which are not within the boundaries of a province."

7. That a report from the Civil Service Commission, which was submitted to your Excellency in Council under date of February 16, 1925, showed that the standard daily hours of work of monthly rate employees in the government departments are from 9 a.m. to 5 p.m., with an interval for luncheon and a half-holi-

day on Saturday, and that the standard hours of prevailing rate employees, numbering 1,576 in Ottawa and 18,264 outside Ottawa (of whom 12,247 were postmasters paid on percentage basis), are 44 hours per week, based on an eight-hour day for five days, and 4 hours, or a half-day, on Saturday. Certain exceptions to these standard hours of work were also noted in the report of the Civil Service Commission.

8. That request has been made to the government for the granting of the eight-hour day to its own employees.

9. That it is desirable that the principle of the eight-hour day should be applied to any branches of the public service of Canada in which it is not now observed.

The minister accordingly recommends that, except in cases where the work of employees is intermittent in character, or the application of this rule is not deemed to be practicable or in the public interest, the hours of work of any employees of the Dominion government who are still required to work more than eight hours daily be reduced to eight hours daily, with a half-holiday on Saturday.

The committee concur in the forgegoing recommendation and submit the same for approval.

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

6. P. C. 684

At the Government House at Ottawa

Thursday, the 27th day of March, 1930.

Present:

His Excellency

The Governor General in Council:

His Excellency the Governor General in Council, on the recommendation of the Minister of National Revenue, is pleased to order that the regulations established by order in council, dated 28th of July, 1903, respecting the extra service of customs officers, and all other orders inconsistent herewith, be cancelled on and from the 1st of April, 1930, and the following regulations, in regard to the attendance of customs and excise officers and their pay for overtime, and also in respect of the special services in the outside customs and excise services of the Department of National Revenue, shall be and the same are hereby made and established to take effect on and after the 1st of April, 1930;

1. Customs-excise offices are to be kept open during days of business on Saturdays from 9 a.m. to 1 p.m. and on other days of business from 9 a.m. to 5 p.m. except as otherwise ordered by the Minister of National Revenue.

These hours are to be prolonged so far as relates to the attendance and service of any particular officers or class of officers, without extra compensation to officers, whenever deemed by the Minister of National Revenue to be required by the necessities or interests of the public service.

The usual and ordinary hours of service for outdoor customs and excise officers shall be from 8 a.m. to 5 p.m. with an allowance of one hour for lunch on all days of business. These hours may be changed, however, when necessary to meet special or peculiar conditions, or to enable staff to be employed more efficiently or economically.

2. The Minister of National Revenue may pay out of moneys available for the purpose, an overtime allowance to customs and excise officers for services performed on holidays, and in excess of 8 working hours per day on other days when the salaries of the officers do not cover such services, under regulations prescribed by the Minister of National Revenue, but no overtime shall be paid for services of less than one half hour immediately following the officer's regular hours of duty.

The overtime allowance shall not exceed the rate or amount authorized by the Minister of National Revenue except in special cases approved by him.

3. The following services shall be deemed to be special customs or excise services for which a reasonable compensation, as fixed from time to time by the Minister of National Revenue, shall be paid by the persons accommodated, to His Majesty, viz:—

(a) Services performed by a customs or excise officer for which an overtime allowance is authorized to be paid, except as otherwise from time to time determined by the Minister of National Revenue.

(b) Services of a customs officer performed outside of Canada at the request of the railway companies or others accommodated.

(c) Services of customs officers on board moving trains and vessels performed at the request of the railway companies or others accommodated, unless otherwise directed by the minister.

(d) Attendance of excise officers outside of their regular hours at licensed excise establishments.

(e) Such other customs or excise service of a special character or class as may be granted with the approval of the Minister of National Revenue on application of the persons or others accommodated.

4. Requests for customs or excise special service and for service outside the usual business days and hours shall be presented to the proper officer in sufficient time to enable him

to make arrangements for the attendance of the necessary officers to perform the service if approved and acceded to.

5. The charge for customs and excise special services shall be paid to the collector of the port having supervision of the services, who shall keep accounts and make returns thereof, and also of officers' overtime, as directed by the Minister of National Revenue. Collectors shall deposit all collections of charges for customs and excise special services to the credit of the Receiver General.

When the service is performed by an officer who is not attached to any port the charge for the services of such officer shall be paid direct to the department.

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

CANADIAN NATIONAL RAILWAYS—COAL CONSUMPTION

Mr. SMITH (Cumberland):

1. What quantity of coal was used on the Canadian National Railways' lines during the calendar year 1929?
2. What quantity of coal used on the Canadian National railways during the calendar year 1929 was Canadian coal?
3. What quantity of coal used on the Canadian National railways during the calendar year 1929 was United States coal?

Mr. CRERAR:

Coal used on Canadian lines, 1929:

1. 5,103,600 net tons.
2. 2,920,600 net tons.
3. 2,183,000 net tons. Of this 1,000,000 net tons were supplied from Canadian National Railways' own mines at cost of production.

BROADCASTING STATIONS—LICENCES

Mr. SPENCER:

1. Have applications been received by the Department of Marine for licences for broadcasting stations in Canada since September 11, 1929?
2. If so, who are the applicants?

Mr. CARDIN:

1. Yes.

2. (a) Applications made on regular application forms: J. S. Terry (for Leonard Hotel Broadcasting Company), St. Catharines, Ont.; Canadian Pacific Railway Company, Montreal, Que. (b) Applications made by letter—but no regular applications filed: Dougall Motor Car Company, Fort William, Ont.; C. V. Wetmore, Liverpool, N.S.; Canadian Marconi Company, Glace Bay, N.S.; Public Utilities Department, City of North Battleford, Sask.; G. A. Leadston, Jr., Guelph, Ont.; John Patterson, Brantford, Ont.; Donald C. Smith, Dartmouth, N.S.; Dunn Motors, Tisdale, Sask.

[Mr. Heenan.]

2. (c) Inquiries by letter re obtaining licences or establishing stations: Carl Read & Company, Limited, Belleville, Ont.; J. W. Long, Montreal, Que.; W. P. Roberts, Hanna, Alta.; Wood, Buchanan & MacDonald, (for clients at Edmonton, Alta.); Thos. B. Palmer, San Francisco, Calif. (states he is British subject) for station at Victoria, B.C.; T. C. Davis, Prince Albert, Sask.; H. H. Watson, Toronto, Ont.; Ralph C. Welch, Phippen, Sask.; A. D. Buchanan, Stayner, Ont.; The Melody Shop, New Waterford, N.S.; Paisley's Radio Sales & Service, Forest, Ont.; R. L. Morgan, Lindsay, Ont.; The Standard Phonograph Accessories & Supply Company, Montreal, Que.; C. Hamilton, Riverside, Ont.; L. P. Pomerleau, St. Raymond, Co., Portneuf, Que.; McKay Radio Sales & Service, Summerside, P.E.I.; A. Hunter, Sarnia, Ont.; J. H. McDonald, Toronto, Ont.; Isaac Glover, Rossland, B.C.

VANCOUVER ISLAND—HYDROGRAPHIC SURVEY HOUSEBOAT

Mr. BLACK (Yukon):

1. Were tenders advertised for to be received up to December 7, 1929, for the construction of a houseboat for hydrographic survey, to be used on the coast of Vancouver island?
2. If so, from whom were tenders received and what was the amount of each?
3. Were the specifications revised after the tenders were opened?
4. Were all of those who had tendered given an opportunity of tendering on the revised specifications?
5. Did the original specifications call for tenders for building and furnishing complete and for redocking at the end of the season?
6. What was the estimate of the total cost of the boat, furnishings and service?

Mr. CARDIN:

1. Yes.

2. (a) Public tenders were invited through newspapers in Victoria, Vancouver and Prince Rupert, B.C.

(b) The following tenders were received:

	Tender price
Vancouver Shipyards Ltd., Vancouver, B.C.	$ 28,000
Extra for copper sheathing, $3,350.	
Dawe Shipyards Ltd., New Westminster, B.C.	29,778
Extra for copper sheathing, $3,825.	
Extra for best grade lumber, $3,000.	
Star Shipyard (Mercer's) Ltd., New Westminster, B.C.	31,926
Extra for copper sheathing, $2,025.	
Stornes & Sorenson Ltd., Vancouver, B.C.	32,996

	Tender price
Extra for copper sheathing, $3,800, or copper sheathing and copper fastening, $7,400.	
B.C. Marine Engineers & Shipbuilders, Ltd., Vancouver, B.C..	34,933
Extra for copper sheathing, $3,394.	
Extra for copper fastening, $1,890.	
Prince Rupert Dry Dock & Shipyard, Prince Rupert, B.C..	38,500
Extra for copper sheathing, $4,500.	
Extra for copper fastening, $2,000.	
Vancouver Drydock & Salvage Co., Ltd., North Vancouver, B.C..	38,750
Extra for copper sheathing, $3,500	
Boeing Aircraft of Canada Ltd., Vancouver, B.C..	41,034
Extra for copper sheathing, $3,250	
Extra for copper fastening, $2,950.	
Extra for copper fastening and copper sheathing, $6,200.	

3. No.

4. Answered by No. 3.

5. Specifications included building and equipment as detailed. Re-docking at end of season called for.

6. $30,000.

LABOUR DEPARTMENT—F. E. HARRISON

Mr. FRASER:

1. Is F. E. Harrison, Sr., wage investigator and mediator, who receives a salary of $3,360 under vote 15, civil government salaries, the same official as F. E. Harrison, Vancouver, who received $3,026.33 under vote 255, fair wages and inspection offices, travelling expenses, Auditor General's report, 1929, pages M-3 and M-7?

2. What are the details of the payment referred to under vote 255?

3. What are the details of the payment of $1,662.09 to F. E. Harrison, vote 260, administration old age pensions, travelling expenses?

4. What are the details of the payment to E. S. H. Winn of $340.90 under vote mentioned in the preceding question?

Mr. HEENAN:

1. Yes.

2. Mr. Harrison is fair wages officer and mediator of the Department of Labour with headquarters at Vancouver, B.C., and his territory comprises the four western provinces. The payment under this vote is to cover his travelling expenses while engaged in gathering information as to prevailing wage rates in western Canada, which information is used in connection with the preparation of schedules containing labour conditions—wages and hours—for insertion in specifications and contracts governing federal government construction work. This officer is required to visit the various federal government undertakings in his territory during the period of construction and ascertain definitely that the wage schedule applicable to the particular work is posted in a conspicuous place on the work and is easily accessible to the workmen employed thereon; also to ascertain by investigation that these labour conditions are being fully complied with. Further, from time to time complaints are received of the non-observance of the labour conditions by certain contractors in respect to wages, hours and classifications, and these complaints necessitate the fair wages officer visiting the various works in question and, after investigation of the complaint, making whatever adjustment the circumstances may warrant. In addition a considerable amount of his time was occupied in dealing with labour disputes, particularly in connection with the mining area of Alberta, wherein he acted as mediator in adjusting strikes and disputes, as provided for in the Conciliation and Labour Act and the Industrial Disputes Investigation Act.

3. The payment referred to under this vote is to cover the travelling expenses of Mr. Harrison while engaged in auditing payments made under the Old Age Pensions Act in the provinces of British Columbia, Saskatchewan and Manitoba.

4. Mr. E. S. H. Winn is chairman of the British Columbia Old Age Pensions Board and also the British Columbia representative on the Interprovincial Old Age Pensions Board. The expenses incurred under the vote mentioned were in connection with the attendance of Mr. Winn at a meeting of the Interprovincial Old Age Pensions Board held at Ottawa in October, 1928.

LABOUR GAZETTE CORRESPONDENTS

Mr. FRASER:

What services are performed by the undermentioned correspondents under vote 253, conciliation and labour accountant, Auditor General's report, 1929: J. M. Campbell $250, Prince Rupert; J. Chron, $225, Victoria; F. G. Perry $200, Fernie; H. Thornley $291.66, Vancouver; A. C. Williamson $300, Trail?

Mr. HEENAN: The correspondents of the Labour Gazette mentioned make a report to the department at the beginning of each month on retail prices; also from time to time on strikes and lockouts, industrial agreements, changes in wages and hours of labour, fatal industrial accidents; organization of labour unions, changes in officers of unions, activities of unions; organizations of employers, cooperative societies, etc.; other matters of industrial interest, including employee representation plans, profit-sharing, housing,

opening of industrial establishments, output of mines, and changes in industrial conditions.

The correspondent at Vancouver covers also the New Westminster district and the correspondent at Trail covers also the Nelson district.

CANADIAN NATIONAL RAILWAYS—EMPLOYEES DISCHARGED

Mr. FERLAND:

How many employees of the Canadian National Railways have been laid off on account of reduction of staff in each shop of the central region during each of the past five years?

Mr. CRERAR: It is not considered to be in the interest of the Canadian National Railways, nor in the public interest, to bring down information of this character.

CANADIAN BROADCASTING RIGHTS

Mr. WHITE (London):

1. Is Canada making efforts to extend her rights in the matter of more numerous channels for broadcasting?
2. If so, what is the result of such negotiations with the United States?
3. What is the cost of service rendered for the improvement of radio reception in each of the provinces of the dominion?
4. What equipment and how many employees are there in each province in the above service?
5. What revenue is derived from this service?
6. What revenue is derived from radio receiving licences?
7. What are the government's regulations and licence fees for broadcasting rights, by broadcasting companies?
8. Is the power of the various stations limited by government regulations? If so, what is the maximum?
9. What is the maximum power allowed in the United States or is there any limiting legislation?
10. What is the maximum power used in the United States?
11. Is broadcasting in the United States under state control or under federal control?
12. Have the separate states any control or voice in the matter?

Mr. CARDIN:

1 and 2. The sovereign right of all nations to the use of every radio channel is recognized, thus Canada has always enjoyed the right to allot any of the frequencies in the broadcast band to any radio broadcasting stations under its jurisdiction.

It is nevertheless recognized that until technical development progresses to the stage where radio interference can be eliminated, special arrangements between neighbouring countries are desirable in order to minimize such interference.

To this end, negotiations were entered into with the United States, immediately on the passing of the United States radio act in February, 1927, with a view to concluding a formal agreement for a division of the 96 available broadcast channels between Canada and that country.

The division demanded by the United States representatives, based primarily on the relative populations of the two countries, was not acceptable to the Canadian representatives, and the conference was therefore adjourned.

In December, 1928, Canada notified all nations subscribing to the International Radio Convention, through the medium of the International Radiotelegraph Bureau, Berne, as follows:—

"The question of the division of frequencies in the broadcast band between the broadcasting stations in the North America area has been the subject of negotiations between the interested countries, but, so far, no agreement has been reached. The International Radiotelegraph Convention of Washington, 1927, becomes effective on January 1, 1929, and in submitting Canada's list of broadcasting stations for publication in the official list, in accordance with the provisions of the convention, the Canadian administration has refrained from notifying the temporary and inadequate assignment on which its broadcasting stations are now operating and desires it to be understood that pending the consummation of an agreement between the administrations in the North America area in regard to broadcasting, the Canadian administration in no way waives the right it considers it enjoys under the International Radio Convention in regard to the use of a reasonable proportion of the broadcast frequencies available in the above mentioned area."

3.

Service to broadcast listeners	Fiscal year 1928-1929	Fiscal year 1929-1930 11 months ending Feb., 1930
Headquarters administration and special investigations	$ 29,606 32	$ 27,249 60
Prince Edward Island	476 21	311 73
Nova Scotia	7,469 48	7,301 45
New Brunswick	7,669 77	6,953 01
Quebec	20,493 32	20,871 21
Ontario	48,606 50	48,271 32
Manitoba	9,117 41	8,727 53
Saskatchewan	9,647 17	11,148 25
Alberta	6,550 98	6,810 79
British Columbia	10,610 19	9,381 11
Northwest Territories and Yukon	.....	219 26
Totals	$150,247 35	$147,245 26

4.

Province	Full-time employees	Part-time employees	Equipment: Motor cars equipped with necessary special interference detecting apparatus	Equipment: Sets of portable interference detecting apparatus	Equipment: Equipment for monitoring and frequency measurements
Headquarters administration and special investigation	8	0	0	4 and special research equipment	13
Prince Edward Island	0	2	0	2	1
Nova Scotia	2	3	1	4	10
New Brunswick	4	3	1	4	5
Quebec	12	3	4	4	13
Ontario	29	17	10	22	29
Manitoba	5	2	1	4	5
Saskatchewan	8	2	3	5	8
Alberta	4	2	2	4	7
British Columbia	4	2	2	5	14
Yukon Territory	0	1	0	1	0

5. Nil.

6. Fiscal year 1928-1929: $262,337.05. Fiscal year 1929-1930, 11½ months, to 15 March, 1930: $404,179.20.

7. Nationality of licensees.—Licences for transmitting stations are issued only to British subjects or to companies incorporated under the laws of the Dominion of Canada or any of the provinces thereof. Licences for private receiving stations are issued to any person in Canada, irrespective of nationality.

Private commercial broadcasting licence.—Annual fee $50. Private commercial broadcasting licences may be granted to land stations to be operated for the broadcasting by radiotelegraph or radiotelephone, of news, information, entertainment or other service.

The working of the station must be strictly limited to the hours prescribed in the licence and the station must use such wavelength as is specified therein.

The station must be operated by a person who is the holder of a first class or a radiotelephone certificate of proficiency in radio.

Amateur broadcasting licence.—Annual fee $10. Amateur broadcasting licences may be granted to recognized radio associations. They will not be granted to individuals. Such

licences will permit broadcasting on a wavelength of 250 metres at the hours and for the periods prescribed in the licence. The normal range of amateur broadcasting stations will be limited to 25 miles.

An association licensed to operate an amateur broadcasting station may, subject to the approval of the minister, authorize a station belonging to one of its members to broadcast on its behalf; such station whilst broadcasting shall use the call signal and wavelength alloted to the association. The association will be held responsible for the proper operation of the station in accordance with the provisions of the licence and the radio regulations.

8. (a) In practice, yes, depending on the location of the station; (b) no maximum.

9. According to general order No. 42 of 7 September, 1928, issued by the federal radio commission, commercial stations are limited to a maximum of 100 kilowatts in day time and 50 kilowatts at night; there is no limit to the power which may be employed for experimental purposes.

10. Commercially—50 kilowatts; experimentally—200 kilowatts.

11. The Radio Act of 1927 vests control of radio in the United States in the Federal Radio Commission.

12. So far as the department is aware—No.

NORTHWEST TERRITORIES—MINERAL CLAIMS

Mr. PECK:

1. How many mineral claims have been located in the Northwest territories since January, 1926, in accordance with the quartz mining regulations?

2. What is the approximate area covered by such locations?

3. Have any locations been recognized by the Department of the Interior, or have any special privileges been granted without full compliance with such regulations?

4. If so, who are the holders of such privileges and what is the area of land included therein?

5. Is any portion of the territories reserved by the government from mining exploration or location, and if so, what is that portion?

Mr. STEWART:

1. 646 claims.

2. 32,300 acres.

3. No.

4. See answer to No. 3.

5. Yes:—Coppermine reservation, comprising the area lying north of the 65th parallel of north latitude, and between the 105th and 116th degrees of west longitude, comprising the islands in and the territory adjacent to Coronation gulf and Bathurst inlet. Public notice has already been given to the fact that this reservation has been cancelled by order in council dated the 14th day of January, 1930, and that on the 1st day of July, 1930, the area will be again made available for disposal under the provisions of the mining regulations which are in force in the Northwest Territories of Canada.

Thelon game sanctuary, comprising approximately 15,000 square miles, described as follows:—"Commencing at the point on the southerly shore of Beverly lake where the left bank of Dubawnt river intersects the said southerly shore; thence southwesterly, following the height of land between the Dubawnt and Thelon rivers to its intersection with the sixty-third (63) parallel of north latitude; thence due west following the said sixty-third (63) parallel of north latitude to its intersection with the east shore of Artillery lake; thence northerly following the east shores of Artillery lake, Ptarmigan lake, and Clinton-Golden lake and connecting waterways to the sixty-fourth (64) parallel of north latitude; thence due east along the said sixty-fourth (64) parallel of north latitude to its intersection with the height of land between the waters of the Thelon and Back rivers; thence northeasterly following the said height of land to the portage between the Buchanan and Tibielik rivers; thence southeasterly following the west bank of the Tibielik river to Beverly lake; thence following the north shore of said lake to a point due north of the point of commencement; thence due south to the said point of commencement."

That portion of the Wood Buffalo park which extends into the Northwest Territories.

HOUSE OF COMMONS STAFF

Mr. CHURCH:

1. How many persons are on the staff of the House of Commons; (a) permanent; (b) temporary?

2. In the case of temporary employees, how many of these are returned soldiers and how many civilians?

Mr. CARDIN:

1. (a) 83; (b) 369 (March 31, 1930).

2. Returned soldiers—59; Civilians—310—including 185 females.

MONTREAL HARBOUR BRIDGE

Mr. BELL (St. Antoine):

1. Has the new harbour bridge at Montreal been completed?

2. If so, at what cost to the federal government?

3. Has any portion of the said bridge been condemned on account of defective plans or construction?

4. What are the present carrying charges, including interest on capital, etc., per day?

5. On what date will the said bridge be opened for public use?

Mr. CARDIN:

1. No.
2. Answered by No. 1.
3. No.
4. There will be no carrying charges until the bridge is in operation. Interest on borrowings is charged to capital account until construction is completed.
5. Date of opening bridge for public use has not yet been determined.

MONTREAL AND SOUTHERN COUNTIES RAILWAY

Mr. LAWSON:

Is the Montreal and Southern Counties railway controlled and/or operated by the Canadian National Railways?

Mr. CRERAR: The Montreal and Southern Counties railway is one of several of the separately-operated electric lines of the Canadian National railway company.

REVENUE FROM SALE OF MINING STOCKS

Mr. LADNER:

What is the total revenue by years of the government of Canada from the tax on sale of mining stocks from the time the act relating to the same came into force until the 1st of March, 1930, showing the total amount each year of such tax received from each province of Canada?

Mr. STEWART (Edmonton) (for Mr. Euler):

It is impossible to furnish this information because the tax is payable by stamps such as are used for payment of other forms of excise tax. These stamps are purchased at post offices or banks and the object of their use is not disclosed when purchased.

LAND SETTLEMENT LITERATURE

Mr. CASGRAIN:

In what languages does the Department of the Interior publish literature telling of land suitable for settlement and the terms upon which homestead entries may be obtained?

Mr. STEWART (Edmonton):

Land settlement literature is published in English except where there is a demand for literature in the French language in which event an adequate French edition is published and distributed in reply to enquiries in French or on request for literature in French.

QUESTION PASSED AS ORDER FOR RETURN

FARM LOANS

Mr. BENOIT:

1. On what date did the commission on farm loans begin its work?
2. What is the yearly salary of the chairman of the commission?
3. What is the yearly salary of the two other members of the commission?
4. What is the yearly salary of the superintendent of the commission in each province?
5. What is the yearly salary of the two assistant employees to the superintendent in each province?
6. What is the total cost of the administration of the commission on farm loans during the last twelve months from March 1, 1929: (a) at Ottawa; (b) in each province?
7. Has the commission contracted loans?
8. If so, what is the amount of said loans and at what rate of interest were they made?

UNOPPOSED MOTIONS FOR PAPERS

MOTORBOAT JUNIOR C.

Mr. QUINN:

For a copy of all correspondence, letters and other documents relating to the seizure of the motor boat Junior C, in or during the calendar year 1929, by the customs preventive service, and the release or resale of said motor boat to Guildford Harnish of Hubbards, in the county of Halifax, province of Nova Scotia.

MOTORBOAT NO. 174

Mr. ERNST:

For a copy of all letters, telegrams, tenders and other documents relating to the seizure and detention of the motor ship or boat No. 174, in Northumberland straits, during the calendar year 1928.

MOTORBOATS OWNED BY DEPARTMENT OF CUSTOMS

Mr. ERNST:

For a return showing a list of all motor boats, motor ships and steamships owned or operated, under charter or otherwise, by the Department of Customs or the customs preventive service, in the province of Nova Scotia or in waters adjacent thereto, during the calendar years 1928 and 1929, including therein: (a) the age and cost of each of such boats or ships as is owned by the Department of Customs; (b) where and by whom each of such boats or ships were built; (c) if built by the department or purchased after construction; (d) if operated under charter, the respective charter price of each of such boats or ships so operated; (e) the cost of operation of each of such boats or ships; (f) the details of seizures made by each of such boats or ships during the calendar years 1928 and 1929.

JOHN MOSSMAN

Mr. ERNST:

For a copy of all correspondence, telegrams and other documents relating to the discharge, dismissal or retirement of John Mossman of LaHave, in the county of Lunenburg, province of Nova Scotia, from the customs preventive service.

VICE-REGAL RAILWAY CARS

Mr. CAMPBELL:

For a return showing the expenditure on the vice-regal railway cars since January 1, 1923.

NATURAL RESOURCES

AGREEMENT WITH PROVINCE OF SASKATCHEWAN

Hon. CHARLES STEWART (Minister of the Interior) moved that the house go into committee to-morrow to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure to confirm the agreement between the governments of the Dominion and the province of Saskatchewan dated 20th March, 1930, respecting the transfer of the natural resources of Saskatchewan.

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.

FAIR WAGES AND HOURS

Hon. PETER HEENAN (Minister of Labour) moved that the house go into committee to-morrow to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure respecting fair wages and hours for labour employed by contract or otherwise on public works of the Dominion of Canada.

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.

BRITISH WEST INDIES

REPORTED STATEMENT OF HIS EXCELLENCY THE GOVERNOR GENERAL

On the orders of the day:

Mr. ROBERT GARDINER (Acadia): I should like to inquire from the Prime Minister if the government has under consideration any proposal for the taking over of any of the empire responsibilities in regard to the West Indies?

Right Hon. W. L. MACKENZIE KING (Prime Minister): None of which I am aware.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): May I ask whether the statement of the Governor General was authorized by the government?

Mr. MACKENZIE KING: To what statement does my hon. friend refer?

Mr. WOODSWORTH: The statement which His Excellency is reported to have made before the Empire Club of Toronto.

[Mr. Campbell.]

Mr. MACKENZIE KING: I assume my hon. friend has reference to what I took to be a complimentary remark on the part of His Excellency with regard to the relations between Canada and the West Indies. The statement was made by His Excellency on his own responsibility.

PENSIONS AND SOLDIERS' PROBLEMS

PRINTING OF PROCEEDINGS OF SPECIAL COMMITTEE

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, in connection with the printing of the proceedings which have taken place before the committee on returned soldiers' problems, I find that 950 copies of the reports issued from day to day have been absorbed by the Canadian Legion, leaving a very small number for circulation among the members. As a matter of fact, some of the members have not been able to secure a copy at all. Of course it is desirable that the legion should circulate these reports as freely as possible, but in view of the fact that they represent only about 75,000 of the entire membership of the overseas forces, I think it will be agreed that something should be done to make it possible to circulate larger numbers of these reports. I am bound to say that the distribution office could give us no reasonable explanation as to why the members of parliament were not furnished with these reports, while 950 copies were absorbed by the legion, under someone's orders. It is not customary to deprive members of the house of the opportunity of getting at least one or two copies of important documents of this kind.

Mr. C. G. POWER (Quebec South): In answer to my hon. friend I may say that I obtained permission to have 1,800 copies printed, 1,500 in English and 300 in French.

Mr. BENNETT: When was that done, please?

Mr. POWER: I obtained permission without coming before the house.

Mr. BENNETT: To-day?

Mr. POWER: No, I obtained that permission some time last week, a day or so after my hon. friend brought the matter to my attention, and it was understood that that number would be printed. I was aware of the fact that the legion would require something like 900 copies, but I thought possibly the remaining 600 would be sufficient to meet the requirements of hon. members of this house. If my hon. friend desires me to do so, I will make inquiries as to the matter.

Mr. BENNETT: I think I should say to the hon. gentleman, who is chairman of the committee, that some arrangement should be made to reprint the proceedings of the first two or three meetings, which hon. members cannot get even to-day. I would not have mentioned this matter except for the fact that just a few moments ago the point was brought to my attention. Hon. members have been endeavouring to get copies and have been unable to secure them, and some of our members have not even seen a copy of the proceedings.

Mr. POWER: I was under the impression that the 1,800 copies to be printed would include the proceedings of the first and second meetings. I will make inquiries, and if that has not been done I will bring the matter to the attention of the house.

INTERIM SUPPLY

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, to-day is the last day of the fiscal year, and it is necessary to make provision for interim supply for the coming fiscal year. Therefore, with the consent of the house, I would move that you do now leave the chair for the house to resolve itself into committee of the whole to consider the granting of interim supply.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I merely rise to reserve the rights of those who, under our constitution, have the right to suggest that grievances should be remedied before supply is granted. I quite realize that supply must be granted; it is usual to do so. The Minister of Finance has mentioned the matter to us and we are quite agreeable that it shall be done, provided it is without prejudice to the rights of any member of the house to discuss any item, even though a portion of that item may have been granted by this interim supply bill.

Mr. DUNNING: There is no question but that all the rights of everyone will be fully conserved.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. DUNNING moved:

Resolved, that a sum not exceeding $42,625,436.14, being one-sixth of the amount of each of the several items to be voted, as set forth in the main estimates for the fiscal year ending March 31, 1931, laid before the House of Commons at the present session of parliament, be granted to His Majesty, on account, for the fiscal year ending March 31, 1931.

Resolution reported, read the second time and concurred in.

WAYS AND MEANS

INTERIM SUPPLY BILL

Mr. DUNNING moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. DUNNING moved:

Resolved that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1931, the sum of $42,625,436.14 be granted out of the consolidated revenue fund of Canada.

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.

Resolution reported, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 47 for granting to His Majesty certain sums of money for the public service for the financial year ending March 31, 1931.

Motion agreed to, bill read the first and second time, considered in committee, reported, read the third time and passed.

INDIAN ACT AMENDMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister, for Minister of the Interior) moved the second reading of Bill No. 22, to amend the Indian Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Eskimo affairs.

Mr. GUTHRIE: Will the hon. minister explain the object of this bill?

Mr. STEWART (Edmonton): Some years ago it was thought wise to place the Eskimos under the control of the Indian department but it has been found that this does not work out very acceptably as we have no Indian officers in the territory where the Eskimos are located. The officers of the Department of the Interior are located there and we are asking that the control of the Eskimos be placed under the Northwest Territories council and the Department of the Interior rather than under the Indian department.

Mr. GUTHRIE: Was the control under the Northwest territories council?

Mr. STEWART (Edmonton): Up until three years ago.

Mr. GUTHRIE: What difficulty has been experienced in the interval?

Mr. STEWART (Edmonton): The Royal Northwest Mounted Police are now located along Coronation gulf up in Baffin Land, in the territories frequented by the Eskimos, and they seem to offer at the present time the best agency to look after the Eskimos, and in addition to that the officers of the Department of the Interior are in that territory. I think it would work out much more acceptably to allow those officers and the mounted police to supervise whatever control is necessary over these people.

Mr. GUTHRIE: What is the Eskimo population?

Mr. STEWART (Edmonton): We know that we have over four thousand Eskimos, although we are not sure about the number.

Mr. GUTHRIE: Has any census been taken?

Mr. STEWART (Edmonton): Figures as to population have been obtained through our officers in the Northwest Territories, as well as the mounted police.

Mr. GUTHRIE: Are these people considered to be British subjects in all respects?

Mr. STEWART (Edmonton): Apparently that is a ruling I am not competent to give.

Mr. GUTHRIE: A ruling made by whom?

Mr. STEWART (Edmonton): They are assumed to be British subjects. As my hon. friend knows, we have taken over the control of the territory, which control has not been disputed in any particular except with respect to one small portion. The Danish government have presented a claim based upon the explorations made by Otto Sverdrup, and at the present time we are endeavouring to settle that claim.

Mr. GUTHRIE: What is the origin of these people, were they originally Indian?

Mr. STEWART (Edmonton): Eskimo.

Mr. GUTHRIE: Or are they Mongolians; of what race are they?

Mr. STEWART (Edmonton): I am afraid my hon. friend has asked me a question which I cannot answer.

Mr. GUTHRIE: A good deal would depend upon that.

[Mr. Guthrie.]

Mr. STEWART (Edmonton): There is a difference of opinion. Many hold that they are Mongolian but I do not think anyone can prove it.

Mr. DUNNING: Some people say they are Scotch.

Mr. ARTHURS: They are treated as wards of the government and not as full-fledged citizens; that is correct?

Mr. STEWART (Edmonton): Yes.

Mr. GUTHRIE: I understand that the government hitherto has treated them as being originally an Indian tribe and for some time past has assumed the guardianship of these people in the same manner as it assumes guardianship over the Indians. Are these people entitled to the franchise where the Indian is not?

Mr. STEWART (Edmonton): Well, our position with respect to the Eskimos and the territory over which they roam is that we claim that we own the territory, and therefore the residents in that territory must be Canadian. No treaties have been arranged with the Eskimos as with the Indians in other parts of Canada. These people are a nomadic race and are found in widely scattered territories. As my hon. friend knows, the Indians locate in some particular spot, but that is not true of the Eskimos. They return annually to their old camping grounds but so far we have not treated the Eskimos as we have the original Indians of Canada.

Mr. SPENCER: To what territory is the hon. minister referring?

Mr. STEWART (Edmonton): Coronation gulf, Melville island, Baffin Land and all the territory north.

Mr. SENN: How many Eskimos are in that territory?

Mr. STEWART (Edmonton): I have answered that; we know there are about four thousand.

Mr. GUTHRIE: The minister did not answer my question; if the Eskimo were seeking a franchise in this country, would he be entitled to vote?

Mr. STEWART (Edmonton): I imagine that he would be a citizen of the country unless the same process had been gone through as with the Indians; which has not been done up to the present time.

Mr. GUTHRIE: That has not been done up to date?

Mr. STEWART (Edmonton): No.

Mr. GUTHRIE: They will continue to be wards of the government or of the North-west Territories council as formerly?

Mr. STEWART (Edmonton): I doubt if they would be considered wards of the government in the sense that the Indian is a ward. They are granted educational facilities, provided largely by the missionaries, the same as the Indians, and in times of necessity they are given relief. Outside of that, no treaty has been enacted which would designate them as aborigines of that territory.

Mr. ARTHURS: There are Indians in Canada with whom we have not negotiated a treaty.

Mr. STEWART (Edmonton): Very few.

Mr. ARTHURS: But there are some?

Mr. STEWART (Edmonton): Yes.

Mr. ARTHURS: The Eskimo would be in exactly the same position.

Mr. STEWART (Edmonton): My hon. friend would be correct in that.

Mr. ARTHURS: If one had the franchise then the other would have it?

Mr. STEWART (Edmonton): Is my hon. friend concerned about the franchise?

Mr. ARTHURS: I just added that clause.

Mr. STEWART (Edmonton): The Indian has not the right to the franchise until he is enfranchised.

Mr. ARTHURS: The minister argues that the Eskimo would have the franchise because he has not entered into a treaty with the government.

Mr. STEWART (Edmonton): That is a very fine legal argument and one which I am not competent to answer.

Mr. LADNER: Do I understand the minister to say that Eskimos who are British subjects and wards of the government, exercise the franchise or have the right of exercising it?

Mr. STEWART (Edmonton): So far as I am aware, there has never been an election in which they could exercise the franchise.

Mr. ERNST: Will they exercise it under the proposed enlargement of the Yukon territory as an electoral unit?

Mr. STEWART (Edmonton): I have never heard the question raised before. I noticed in the press a few weeks ago, someone raised it, but I would much prefer to take the position suggested by my hon. friend that not all of these Eskimos, but some of them, have been subject to the bounty of the Canadian government and in every respect are treated as wards of the government, although one cannot, I think, legally say that they are wards. That is the point.

Mr. ERNST: Would the minister consider them as wards of the government, entitled to the franchise?

Mr. STEWART (Edmonton): I would not care to give my hon. friend an answer offhand on that point. I will make inquiry and be prepared to give an answer later, but I am not going to assume the responsibility of saying that the Eskimos would be enfranchised.

Mr. BLACK (Yukon): I should like to call the minister's attention to this question which I asked on the tenth of March:

> Are adult Eskimos, being British subjects, residents of Canada for the period required by Dominion Elections Act, qualified to vote at elections of a member of the House of Commons?

The minister's reply was:

> Yes, Eskimos who are British subjects by birth or naturalization.

Mr. STEWART (Edmonton): They would be identical with an enfranchised Indian in that respect. That is the position of an Indian when he is granted enfranchisement and foregoes the benefit of his tribal membership.

Mr. BLACK (Yukon): Would an Eskimo, in order to exercise the right of voting, have to be enfranchised the same as an Indian?

Mr. STEWART (Edmonton): I am not clear as to the status of an Eskimo. My difficulty is this: the Eskimo is there; to all intents and purposes he is a ward of the government so far as care in time of necessity is concerned, but I believe there is no treaty existing nor would I say that his status has been defined. If, however, he were enfranchised under his own name he would be in the same category as an Indian who had been enfranchised in exactly the same way.

Mr. BLACK (Yukon): Do I understand the minister to say that this answer given by him on the tenth of this month is not correct?

Mr. STEWART (Edmonton): I think it is correct.

Mr. FRASER: How does an Indian become enfranchised?

Mr. STEWART (Edmonton): By consent of the band to which he belongs, by foregoing all the rights he holds as a member of the tribe and becoming a citizen of the country, and by order in council.

Mr. LADNER: Might I ask the minister whether the government considers, as a matter of principle, that Eskimos, who are wards of or who receive bounty from the government, could exercise the franchise?

Mr. STEWART (Edmonton): I did not say that they were wards. I want my hon. friend to get my explanation correctly. What I say is that the Eskimos have in the past been in receipt of bounty from the Canadian government.

Mr. LADNER: I included that in my question.

Mr. STEWART (Edmonton): What status that might or might not give them, I am not prepared to say. It is a strictly legal question, but I say that the Eskimos have not, to my knowledge, made any treaty with the Canadian government.

Mr. LADNER: I was asking not as a legal question but as a matter of principle or policy whether the minister considers that Eskimos who are receiving bounty or any kind of favour from the Canadian government, should exercise the franchise?

Mr. STEWART (Edmonton): I shall have to leave that question to be answered by the Department of Justice. I cannot give a legal opinion on it.

Mr. ERNST: As I understand the matter, Canada claims sovereignty roughly from the forty-ninth parallel to the northern portion of the continent, and any British subject resident within Canada, if he is in an electoral district, is entitled to vote. Is an Eskimo born within this area over which Canada claims sovereignty, a British subject?

Mr. LAPOINTE: Eskimos who are British subjects have certainly the right to vote, just as any other British subject. They are not Indians. In the Dominion Elections Act under qualifications of electors, there is an exception for Indians ordinarily resident on an Indian reservation. The Eskimos are not in that category. Moreover, they are not Indians. There is nothing to disqualify an Eskimo simply because he is an Eskimo. That is my first impression.

Mr. ERNST: I would understand my hon. friend is speaking as Minister of Justice when he gives the opinion and would be prepared to stand by it.

[Mr. Fraser.]

Mr. LAPOINTE: My hon. friend is not altogether fair.

Mr. ERNST: Quite fair.

Mr. LAPOINTE: He asks me what is my impression at the moment. I cannot give more than that. I have never given any consideration to the matter, but there is no doubt in my mind, speaking at the moment, that an Eskimo is not disqualified simply because he happens to be an Eskimo.

Mr. ERNST: To follow the question a little further, may I ask this: If the bill which affects the constituency of the Yukon passes the house and the Northwest Territories are incorporated with the Yukon as an electoral district, will these nomadic tribes who are receiving bounty occasionally from the government, be entitled to vote whether or not they have a permanent place of residence? It is a fact that they are objects of charity from time to time.

Mr. LAPOINTE: They will be entitled to vote if they do not fall under any of the exceptions which disqualify people from voting.

Mr. ERNST: Is there any exception which would disqualify them?

Mr. LAPOINTE: My hon. friend is free to consult the Dominion Elections Act just as I am.

Mr. ERNST: The Minister of Justice being so ready with his opinion as to the rights of British subjects, I thought he would be equally ready with information concerning the Dominion Elections Act.

Mr. LAPOINTE: My hon. friend will see under the rules that an hon. member is not entitled to ask legal advice of the Minister of Justice. That is not my function.

Mr. ERNST: The question is of vital interest to the house and I think it should be answered.

Mr. LAPOINTE: Perhaps I can have a private talk with my hon. friend and give him all the enlightenment he desires.

Mr. BLACK (Yukon): I do not wish to be too persistent in regard to this matter, but the Minister of the Interior has gone officially on record as giving his opinion that Eskimos have the right to vote. They are qualified under the Dominion Elections Act. Do I take it that the Minister of Justice agrees with that?

Mr. STEWART (Edmonton): When my hon. friend says he is quoting me, I presume he is quoting an answer to a question?

Mr. BLACK (Yukon): Yes.

Mr. STEWART (Edmonton): There is a definite statement that Eskimos who are British subjects are entitled to vote.

Mr. BLACK (Yukon): The question is:

Are adult Eskimos, being British subjects, residents of Canada for the period required by the Dominion Elections Act, qualified to vote at elections of a member of the House of Commons?

The minister replied:

Yes, Eskimos who are British subjects by birth or naturalization.

The question did not apply to United States or other foreign Eskimos; it was only Canadian Eskimos I was referring to.

Mr. STEWART (Edmonton): My hon. friend asked a very distinct question: Are Eskimos who are enfranchised entitled to vote? Certainly they are. Indians who are enfranchised are entitled to vote. That is the question he asked.

Mr. BLACK (Yukon): I said Eskimos with the qualifications of other electors under the Dominion Elections Act. Then the government say that they are entitled to vote.

Mr. CANNON: Unless they are excluded under the act, how can they be prevented from voting?

Mr. ERNST: Surely the Solicitor General with his fund of legal knowledge knows why they should be excluded.

Mr. CANNON: The Dominion Elections Act recites very plainly who are electors and who are not, and unless a certain class of people are excluded under the act, they have a right to vote.

Mr. ERNST: May I ask the Solicitor General if the mere receipt of charity from the Dominion government is a bar to voting?

Mr. LAPOINTE: My hon. friend is wrong about that.

Mr. ERNST: I do not say that it is. In my opinion it is not.

Mr. LAPOINTE: May I read the section of the Dominion Elections Act which relates to persons supported by charity? Under section 30 persons are disqualified.

Who, at the time of an election, are prisoners undergoing punishment for criminal offences, or are patients in lunatic asylums, or are maintained in whole or in part as inmates receiving public charitable support or care in municipal poor houses or houses of industry, or are inmates receiving public charitable support, other than for war services, in any institution receiving aid from the government of a province under any statute in that behalf—for the whole period of such election.

Surely the Eskimos do not come in that class.

Mr. ERNST: So they would be entitled to the franchise?

Mr. LAPOINTE: I think so.

Mr. ERNST: That is exactly what I said, and I was trying to find out if the Minister of Justice agreed with me.

Mr. LAPOINTE: What is it the hon. member is objecting to?

Mr. ERNST: To their receiving the franchise and then receiving support from this government.

Mr. MANION: The classes just read by the minister would not include the ordinary Indian.

Mr. LAPOINTE: The Indians come under another exception.

Mr. ERNST: Does the Minister of Justice consider it sound in principle that a person who is in receipt of a bounty administered by officials of the government should be entitled to the franchise?

Mr. LAPOINTE: I have no opinion to offer as to that, except to say that it is the law.

Mr. ERNST: Does the minister think it ought to be the law? It opens itself to the most vicious sort of abuses?

Mr. LAPOINTE: I am not in favour of restrictions as to the franchise, if my hon. friend wants to know.

Mr. ERNST: Nor am I.

Mr. DONNELLY: What would the hon. member for Queens-Lunenburg say about the unemployed who are getting assistance from the government right along having the franchise? Would he exclude them?

Mr. ERNST: I do not know any that are getting assistance from this government.

Mr. DONNELLY: It would not make any difference whether it was a Tory government or a Liberal government. If my hon. friend applied his principle to the unemployed who are receiving assistance from the government, a lot of Nova Scotia people would be disfranchised.

Mr. ERNST: Many of them are, for municipal purposes.

Mr. ARTHURS: While this discussion is very interesting, I would remind the minister of my question regarding the position of Indians who are at present not under treaty.

A reading of the clause of the Dominion Elections Act just quoted by the Minister of Justice would indicate that any Indian who did not ordinarily reside on a reserve had the right of franchise.

Mr. STEWART (Edmonton): Oh no.

Mr. ARTHURS: Any Indian not ordinarily resident upon a reserve is excepted from the disabilities applying to the Indian upon the reserve. I think I am correct in that, and certainly the Indians who are not under treaty would very largely out-number the Eskimos of Canada. So all these arguments would apply equally to men living in the northern parts of this Dominion.

Mr. STEWART (Edmonton): My hon. friend is wrong, if he will permit me. The Indians have not the franchise unless they are enfranchised.

Mr. ERNST: And if they do not receive a bounty.

Mr. STEWART (Edmonton): They may. They would not receive payments under the Indian Act.

Mr. ERNST: That is what I mean.

Mr. STEWART (Edmonton): They are Canadian citizens with all the privileges of citizenship. But no Indian is entitled to the franchise until he is enfranchised. An Indian is debarred from the privileges of the franchise until he becomes an enfranchised Indian under the act.

Mr. ARTHURS: There is no question about the ordinary Indian residing in Canada being a Canadian, and I say that a band of Indians who have no treaty with the government, and never had, should be placed in the same position at least as the Eskimo. There can be no reason why the Eskimo should be preferred while the Indian, who is, to say the least, just as intelligent, should be debarred from the franchise.

Mr. STEWART (Edmonton): The Indian Act provides as to the steps that are to be taken to enfranchise an Indian, and he is not enfranchised until those steps are taken. The question that arises about the Eskimo is a different one altogether. An Eskimo would have to be construed to be an Indian and subjected to all the restrictions of the Indian Act, which he is not.

Mr. ARTHURS: If this act passes, the Eskimo and the non-treaty Indian are in exactly the same position. There is absolutely no difference between them.

[Mr. Arthurs.]

Mr. MARCIL: I am glad to hear this discussion about the Eskimos. Now that the eyes of Canada are turning towards the north it is interesting to note that public interest is being taken in these people. Many hon. members of this house are no doubt aware that two or three years ago Pere Duchaussois, of the Oblate order, published a book, entitled "Aux Glaces Polaires," which has had a very extensive circulation all through Europe, and has been crowned by the French Academy. The book gives a most complete account of that northern country from the historical perspective, and especially of the Eskimo proper. The Oblate fathers, under Mgr. Turquetil, have been carrying on missionary work there for many years, and so also have the Anglicans. I am glad to know that the government is now going to take a larger interest in these farthest removed inhabitants of the north. The hardships with which they have to contend are almost inconceivable and, as described by Pere Duchaussois in his book, are indeed a revelation. Modern science to-day has brought the radio to the Eskimos, and through the good offices of the Royal North West Mounted Police day by day they are being brought into closer touch with civilization. One reason perhaps more than any other why they should receive sympathy and assistance of Canada is that they have to endure great hardships. I think we should extend to them the inestimable privilege of being recognized as British subjects, entitled to all the privileges that come to those who enjoy British citizenship.

Sir GEORGE PERLEY: I have been looking into this bill very carefully. The minister draws a sharp distinction between the Eskimo and the Indian. Will he be good enough to tell us how he decides whether a person is an Eskimo or an Indian? What are the grounds of distinction?

Mr. STEWART (Edmonton): I do not think one would have very much difficulty in deciding which was an Indian and which was an Eskimo by the appearance. That is one test. Another is language; to some extent, also, their habits. After all, there is not so very much difference between an Englishman and a Scotchman.

Some hon. MEMBERS: Oh, yes.

Sir GEORGE PERLEY: Everybody will not agree with the minister there. What I really mean is this: There must be some description of an Indian and some description of an Eskimo. The minister says that a person could tell the difference between them by their appearance, but the minister himself is not going to decide which of these thousands of

people are Eskimos and which are Indians. He must lay down some rule or regulation by which the officials can decide whether a man is an Indian or an Eskimo. I take it that they are all children of the wild, nomadic tribes, living very differently from us, both the Indian and the Eskimo. I think the minister ought in specific words to draw the distinction between the two when the act makes such a difference between them.

Mr. ARTHURS: I would point out to the minister that outside the first clause of this bill there is no word relating to Eskimos, nor are they referred to in any part of the text. Section 1 provides:

> Subsection 2 of section 4 of the Indian Act, chapter 98 of the revised statutes of Canada, 1927, is repealed.

That is the clause which places the care of Eskimos under the Indian department. According to the minister's statement, the bill is to empower him to direct the affairs of the Eskimos, but, as I say, except for the first section of the bill there is no reference to Eskimos, the other sections deal exclusively with Indians.

Mr. STEWART (Edmonton): My hon. friend is referring to subsection 2 of section 4 of the Indian Act, which provides that the Superintendent General of Indian Affairs shall have charge of Eskimo affairs. There was never any provision made as to how that charge should be carried out, because we have not had the same contact with the Eskimo that we have had with the Indian. Prior to bringing the Eskimo under the control of the Superintendent General of Indian Affairs, our contact with him had been through the officials of the Northwest Territories branch. Even that was not a very drastic change, because the minister in charge of that branch is the Minister of the Interior. However, as to whether that had the effect of bringing the Eskimo entirely under the Indian Act, I am not prepared to say. As to the definition of an Eskimo there is no doubt that the racial distinction between even the most northern Indian and the Eskimo is very marked. I do not think anyone would have a great deal of difficulty in distinguishing one from the other.

Sir GEORGE PERLEY: But the minister himself would not be making the distinction. He must have the Eskimo defined so that those who are administering Indian affairs may distinguish between the Eskimo and the Indian. They are both native races. I do not see how the minister can draft a definition which will hold water in all cases.

Mr. DICKIE: Aside from the point that is being discussed at the moment, does the minister think the nomadic Eskimo has a sufficient knowledge of our institutions to cast an intelligent vote?

Mr. STEWART (Edmonton): I was not thinking about the question of voting prior to the Eskimo being put in charge of the Indian department nor since; I was simply looking at as a matter of administration. If the Eskimo is conceded to have a vote, that is something I have given no attention to whatever. The question of enfranchising or disenfranchising the Eskimo never entered my mind. As I say, it is simply a question of administration.

Mr. BENNETT: I find it difficult to understand how the hon. minister can say that, if he looks at the explanation he has placed opposite section 1 of the bill. This is his explanatory note:

> This repeal is due to the fact that by order of His Excellency the Governor General in Council, dated the 31st of August, 1927, and made in pursuance of the provisions of chapter 6, 8-9 George V. (1918) and the amendment thereto, chapter 23, 15-16 George V. (1925) the charge of Eskimo affairs was transferred to the Commissioner of the Northwest territories, Department of the Interior.

So that at the moment it is in the hands of the Commissioner of the Northwest Territories?

Mr. STEWART (Edmonton): Yes, but it was for a short period under the control of the Department of Indian Affairs.

Mr. BENNETT: But the point I am making is this: What authority did that give to repeal section 2 of the act? That act is in the revised statutes of 1927 which came into force in 1927. Subsection 2 of section 4 provides:

> The Superintendent General of Indian Affairs shall have charge of Eskimo affairs.

How can an order in council passed antecedently to the date of these revised statutes repeal a provision of these statutes?

Mr. STEWART (Edmonton): We could not legally repeal it. We were doing it for administration purposes.

Mr. BENNETT: This is not correct.

Mr. STEWART (Edmonton): I agree with my hon. friend. We knew perfectly well that we had not power to override the statute, but as a matter of administration, to obviate the duplicating of officials, we have as a matter of fact been supervising Eskimo affairs by the North West Territories branch. We are simply asking the repeal of the section now.

Mr. BENNETT: Then what happens is this: The Minister of the Interior comes in to the House of Commons and says that under the authority of a statute passed in 1918 and of another passed in 1925, on the 31st August, 1927, which is over two years ago, he did an illegal thing and has been doing it ever since.

Mr. LAPOINTE: In what way?

Mr. BENNETT: He says so; he says he knows it is illegal.

Mr. STEWART (Edmonton): I did not say that.

Mr. LAPOINTE: Whether he said so or not, he was wrong.

Mr. BENNETT: Was he? How could the governor in council in 1927 repeal the provisions of a statute that came into force as a part of the revised statutes of Canada a few months before under the authority of the statutes of 1918 and 1925?

Mr. LAPOINTE: Is my hon. friend sure it was a few months before? My impression is that the revised statutes of 1927 came into force only in December of that year. That would be after this transfer.

Mr. CANNON: The proclamation is the 22nd day of December, 1927. The order in council would have been passed in the summer.

Mr. BENNETT: But the revised statutes of Canada are those of 1927.

Mr. CANNON: I know; but the proclamation which put them into force is dated December, 1927.

Mr. BENNETT: Certainly; that is my point. The statute came into force subsequent to the order in council, and the statute governs. Therefore the order in council is illegal. That is what the minister admits. I have now the statute before me. It is chapter 98 and it came into force, as the Solicitor General says, after August, 1927. I thought it was September; he says December. Subsection 4 of section 2 of the Indian Act, being chapter 98 reads as follows:

> The Minister of the Interior, or the head of any other department appointed for that purpose by the governor in council, shall be the Superintendent General of Indian Affairs, and shall, as such, have the control and management of the lands and property of the Indians in Canada.

Of the lands and property of the Indians in Canada. Subsection 2 reads:

> The Superintendent General of Indian Affairs shall have charge of Eskimo affairs.

That section was passed before 1924. Now the Solicitor General says this statute was in force in December, 1927.

Mr. CANNON: That is the proclamation.

Mr. BENNETT: What is the date?

Mr. LAPOINTE: Some time in December.

Mr. BENNETT: I thought so.

Mr. LAPOINTE: It has no effect whatsoever on this.

Mr. BENNETT: It has all the effect in the world. How can the governor in council do something which the statute prohibits?

Mr. LAPOINTE: As soon as my hon. friend gives me the floor, I will explain.

Mr. CANNON: That is in February of 1928.

Mr. LAPOINTE: Even if it were before I do not think it would matter. As the explanatory note says, this transfer of powers took place under the statute of 1918, during the good days of a government other than the present one.

Mr. BENNETT: It says 1925, finally.

Mr. LAPOINTE: In 1918. In 1925 it simply amended and made clearer the provisions of the statute of 1918.

Mr. BENNETT: Quite so.

Mr. LAPOINTE: In 1918 it was enacted that the governor in council shall have power to transfer any powers, duties or functions from one minister of the crown to another, and from one department to another, or to combine two departments under one minister, and so on. It was amended in 1925 to the effect that the duties and powers are to be exercised by the minister in the department to which the transfer of duties is made.

The 1925 statute simply states that when the powers conferred by the statutes of 1918 are exercised all the duties which were under the deputy minister or officers of the first department shall be exercised by the deputy minister and the officers of the second department. It is under those two statutes that in 1927 the Eskimo branch was transferred from the Department of Indian Affairs to the Department of the Interior. It was perfectly legal to do so, but I believe my hon. friend says it comes in conflict with the revised statutes of Canada. The Solicitor General (Mr. Cannon) now hands me chapter 165 of the revised statutes of Canada, which reenact the statutes of 1918 and 1925.

Mr. BENNETT: Quite so.

Mr. LAPOINTE: At any time, whether before or after the proclamation putting into force the revised statutes of 1927, the gover-

nor in council has the authority to transfer one branch of a department to another department.

Mr. BENNETT: Quite so.

Mr. LAPOINTE: And this has been done.

Mr. BENNETT: Quite so.

Mr. LAPOINTE: I do not see the occasion for the discussion on section 1 of this bill, which merely enacts the law as it stands at the present time. The effect of section 1 is merely to make this law coincide with the existing situation; this is an anomaly which is being repealed by section 1 of the present act. It is a condition which no longer exists.

Mr. GUTHRIE: Has the minister before him the statutes of 1924? This particular clause we are dealing with was not passed in 1925, but in 1924.

Mr. LAPOINTE: I think it was 1925.

Mr. GUTHRIE: Subsection 2 of section 4 of the Indian Act provides:

The Superintendent General of Indian Affairs shall take charge of Eskimo affairs.

That is the same as chapter 47, section 1, revised statutes of Canada, 1924.

Mr. LAPOINTE: Yes.

Mr. GUTHRIE: It is 1924, and not 1925.

Mr. LAPOINTE: My hon. friend is talking about another statute. This was changed by the governor in council in 1927, acting in accordance with or under the authority of the statutes of 1925. It can be done at any time and in any department.

Mr. BENNETT: I am sorry the minister does not appreciate the point we are making. We fully agree with everything he has said, but he does not touch the point. The Solicitor General (Mr. Cannon) sees it, however. The point is that the transfer of administration from one department to another is accomplished under the provisions of the statutes of 1918 and 1925, the substance of which we find in chapter 161 of the revised statutes of Canada, 1927. Chapter 98, however, of the revised statutes of Canada deals with the Indians of the country; it is the Indian Act. Under the provisions of subsection 2, section 4, of that statute, it is positively enacted that the Superintendent General of Indian Affairs shall have charge of matters pertaining to Eskimos. That cannot be repealed, except by this parliament. The transfer of the administration to the Northwest Territories branch does not relieve the minister of his responsibility; on the contrary, he still has that responsibility. What we are endeavouring to ascertain is why he is desirous of divesting himself of the authority which parliament placed upon him in 1924. That is the whole story. There is no variance between the Minister of Justice and ourselves.

Mr. LAPOINTE: That is the result the Minister of the Interior wishes to effect by the present section of the bill.

Mr. BENNETT: Why?

Mr. LAPOINTE: To make it coincide with the present situation.

Mr. BENNETT: No. Let me illustrate it in this way. The Minister of Justice has under his control both the penitentiaries and the Royal Northwest Mounted Police. If he desired he could, by section 161 of the revised statutes of Canada, 1927, transfer the administration of the northwest mounted police to the Prime Minister, as was done, in fact, on one occasion. It is not competent, however, by order in council, to repeal this subsection of section 4 which affirmatively places the responsibility for the Eskimos in the hands of the Superintendent General of Indian Affairs. For what reason is this being done? It does not touch the administration, but it touches ministerial responsibilities, and as to who shall be the responsible minister in this house for the Eskimos. That subsection states that the Minister of the Interior or the Superintendent General of Indian Affairs is the responsible minister. Why must there be no responsible minister?

Mr. LAPOINTE: There is one.

Mr. BENNETT: Who is to be the responsible minister?

Mr. LAPOINTE: The Minister of the Interior.

Mr. BENNETT: But he only gets it under the section we are going to repeal. The transfer by the order in council for administration does not in any sense repeal the substantive section which places responsibility upon the minister.

Mr. LAPOINTE: He is repealing it now.

Mr. BENNETT: Who will be in charge of it?

Mr. LAPOINTE: He is.

Mr. BENNETT: I am speaking about ministerial responsibility in this house. It says that the Superintendent General of Indian Affairs is responsible for the affairs of the Eskimos, and that he is the only minister in this house who is responsible. Until some other minister is made responsible, he must be.

Why change it and thereby shift the responsibility, if all this is going to increase responsibility? That section was put in in 1924 to deal with a situation about which the minister must have knowledge. The Minister of the Interior knows that the condition of the Eskimos was very acute, there was starvation among them, and he must recall that situation. Some of the missionaries brought it to the attention of the minister. I, myself, recall going to the minister and calling it to his attention. That being the position, what minister is going to be responsible when this section is repealed?

Mr. STEWART (Edmonton): The administration of the Northwest Territories is under the control of the Minister of the Interior, who at the moment happens to be also the Superintendent General of Indian Affairs.

Mr. BENNETT: The statute says he shall be until someone else is appointed.

Mr. STEWART (Edmonton): If my hon. friend now is arguing that since in 1927 the Superintendent General of Indian Affairs was mentioned as the responsible minister, and that since now we are giving official control to the North West Territories branch the Minister of the Interior should be specifically mentioned, I have no objection.

Mr. BENNETT: The minister has grasped the point. Under our system of government there must be ministerial responsibility somewhere.

Mr. LAPOINTE: Then all my hon. friend desires is that in addition to this repeal there should be a section stating that the control is under the Minister of the Inerior?

Mr. BENNETT: I believe that should be done.

Mr. LAPOINTE: I think there would be no objection to it.

Mr. BENNETT: The minister sees the point because, as the Solicitor General pointed out, the revised statutes did not come into force until February of 1928. That section now stands as the law, and of course the question of administration is very different from that of ministerial responsibility.

Now let us deal with the vital question involved, assuming that you repeal the statute. The Eskimos are nomads; they have no established communities in the sense in which the Indians were established when this country was discovered. Rightly or wrongly we think we have a better system than other countries have, because we have recognized the right of the aboriginal red man and his title, in part, to property in this country. When we made a treaty with the Indians we recognized them as distinct tribes; we enacted that they should have property rights in certain areas, and even yet we cannot part with those property rights without their consent, as the minister knows. For instance, if it is desirable for any purpose to secure 1,000 acres of land from a band of Indians, it requires a very great deal of effort and labour to bring about that result; they must be convened together in a certain way and they must have interpreters clearly to place before them what it is proposed to do.

Mr. STEWART (Edmonton): My hon. friend must remember that the act does give the superintendent general power in certain cases.

Mr. BENNETT: That is so; there are provisions which vest an arbitrary power in the superintendent general, to a certain extent, but the whole theory of the act is that, as far as possible, the Indians should be treated as proprietors of their reserves.

Now we come to the Eskimos. They have no treaties with us; they have no established reserves, as the minister knows, and I think a few moments ago he used two words which describe the situation very well. He said they were nomadic tribes. How can we, having assumed it, divest ourselves of responsibility by endeavouring to treat them as settled persons in certain communities? At the moment the responsibility for providing the Eskimos with a living rests with us, and the minister recalls that at very great expense he sent an expedition to that northern country to provide them with food and medicine, if I remember correctly, when they were not really able to make a living for themselves. I think I can safely say that they are an uncivilized class of people; they hardly live in tribes and they have not developed any form of settled life.

Mr. STEWART (Edmonton): They may be broken up a very great deal; one can scarcely say they are in tribes.

Mr. BENNETT: I was coming to that. When we speak of them as a tribe we must remember that they have no settled communities in which they live, and I am told by those who have visited that country that during their summer they have no settled residences at all. They have no settlements, in the meaning of the term as it was used by the early pioneers with respect to the Indians. These people are not civilized as we use the word civilization. Whether or not the Indians are civilized is not the question. These

Eskimos are wards of this nation, and being wards the question of who assumes trusteeship for them becomes important.

At present the trustee is the Superintendent General of Indian Affairs. That superintendent now proposes to divest himself of responsibility, saying that because the administration is vested with the Commissioner of the Northwest Territories it is going to be left with him, but that does not get away from the essential fact that the wardship continues. These people are wards of this nation, and when the other day I heard a discussion with regard to the Eskimo having a vote I knew that if my hon. friend the Minister of the Interior were not in this house, and if politics and such matters were forgotten, he would regard it as one of the hugest jokes he ever heard. These wards of the nation are scattered far and wide, over mount and stream and sea. They are here to-day and far away to-morrow, and I am sure the Minister of Justice must realize that such wards of the nation are not people who should be entrusted with the franchise, because they are not a part of our civilized country.

Mr. LAPOINTE: Surely this question should be discussed in connection with the Dominion Elections Act.

Mr. BENNETT: No doubt that is correct, but at the same time it arises here, because we are divesting ourselves of a wardship and we are not naming the responsible minister who will communicate to this house the conduct of his wardship. It is quite clear that the order in council transferring the administration of this matter to the Commissioner of the Northwest Territories covers the matter of administration, but it does not get away from the essential question of the responsibility for the wardship of these people.

Mr. STEWART (Edmonton): I quite agree with my hon. friend. I do not care to discuss the question of the enfranchisement of the Eskimo; to be very frank, it never occurred to me that such a question would arise. There is no doubt that if distress arises among these people, to that extent they are wards of the Canadian government, and if we allowed famine or pestilence to run riot among them we would be called to account. They are not Indians as we know Indians, with chiefs and councils and all the paraphernalia which has been set up by the Indians for the management of their affairs. These people congregate in small family groups; no doubt they have leaders, but apparently in discussing matters of importance with our officials they all speak, each for himself.

Mr. BENNETT: They have no chiefs.

Mr. STEWART (Edmonton): Not that I am aware of, as the Indians have, through whom they speak and do their business with the officials of the government. That is one reason for the difficulty in applying the Indian Act to the Eskimos. It is merely a matter of administration; we are seeking to take care of these people in times of distress, which fortunately are very infrequent, since they appear to be able to look after themselves fairly well. However, in the summer season, or even any other season of the year, they are liable to travel two or three hundred miles and locate themselves in another place; they have no particular habitations which they call their camping grounds or reserves.

Mr. GUTHRIE: Did I understand the minister to say that the Danish government had made some claim that these people were citizens of Denmark?

Mr. STEWART (Edmonton): No; they have made some claim to territory there. Many years ago a Danish explorer conducted an expedition among the islands south of Melville island and explored some territory there. Some claim has been made to that territory. It is not a very serious matter, and we are attempting to adjust it.

Mr. GUTHRIE: You mean it was a claim for territory?

Mr. STEWART (Edmonton)): Yes.

Mr. GUTHRIE: Not with regard to the citizenship of the people?

Mr. STEWART (Edmonton): No.

The CHAIRMAN: Shall section 1 carry?

Mr. BENNETT: I think another section should be substituted for this.

Mr. STEWART (Edmonton): If that is necessary to meet the wishes of my hon. friend it will need to be done in an amendment to the Northwest Territories Act. This is merely designed to take it out of the Indian Act.

Mr. BENNETT: There must be some responsibility somewhere.

Mr. CANNON: If my hon. friend will allow me, chapter 103, which deals with the Department of the Interior, states in section 4 that the Minister of the Interior shall have the control and management of the affairs of the Northwest Territories and of the Yukon territory. I think that is wide enough to cover it.

Mr. BENNETT: It is because I doubt whether or not that is wide enough that I brought up this matter, and I understand it was for that reason that the section was put in its present form in 1924. In that year subsection 2 of section 4 was added to meet some doubts which arose over the very point the minister has just brought up.

Mr. BLACK (Yukon): What is the object of the change; why transfer the control of the Eskimos from the Superintendent General of Indian Affairs to the Commissioner of the Northwest Territories. The Commissioner of the Northwest Territories is the Deputy Minister of the Department of the Interior; both the deputy minister and the minister have their offices in Ottawa, and it seems to me that the Department of Indian Affairs is the proper branch to have control of the Eskimos.

Mr. STEWART (Edmonton): The Eskimo question covers a much wider territory than is covered by the Indian question. The Eskimos are all along Coronation gulf and are over in Baffin land, in which country there are no Indians; the Eskimos are found also away to the north on Melville island. This embraces a completely northern territory, in which we have the officers of the Northwest Territories council and of the mounted police, and up to the present time we have found it much more convenient and advantageous to handle the matter in this way. The officers of the Northwest Territories branch and of the mounted police at present are looking after the Eskimos. The officers of the Indian department, while they go down the Mackenzie river, only come in contact with the Eskimos who come to Aklavik on the most westerly side of Coronation gulf. At the present moment all the administration given to the Eskimos is given by the officers of the Northwest Territories and by the mounted police who work very closely together.

Mr. BLACK (Yukon): Are any schools being conducted for the education of the Eskimos?

Mr. STEWART (Edmonton): Yes.

Mr. BLACK (Yukon): For instance, in the duties of the franchise?

Mr. STEWART (Edmonton): I think my hon. friend is unduly alarmed about this franchise business. That is a matter which can be discussed thoroughly when the bill is introduced to add this territory to the Yukon.

Mr. ADSHEAD: Did I understand the minister to say that schools similar to the Indian schools will be inaugurated for the Eskimos.

[Mr. Cannon.]

Mr. STEWART (Edmonton): The Anglican church has been working among the Eskimos for many years.

Mr. ADSHEAD: That is a private work.

Mr. STEWART (Edmonton): Yes. The hon. member will understand that this is a very difficult problem with the tribes moving about as they do, but we have given some thought to the establishment of permanent schools such as we have now for Indian education.

Mr. ADSHEAD: With regard to the Indian schools; what class of teacher is provided, and is any religious instruction given?

Mr. STEWART (Edmonton): Undoubtedly there is religious instruction given in the schools. About 51 per cent of the work carried on by the boarding schools is in the hands of the Oblate order, and the sisters of that order do the teaching. Anglican schools are conducted in the same manner, except that the men and women are hired by the church. The Presbyterian, and formerly the Methodist schools were carried on in the same way, and naturally there is religious instruction given. The curriculum is governed by the provincial laws.

Mr. ADSHEAD: Do I understand that public funds are being expended for religious instruction?

Mr. STEWART (Edmonton): No, I would not say that public funds are being voted for that purpose. The grants are made on the understanding that the schools will be conducted according to the provincial laws, but it would be absolutely wrong to say that no religious instruction is given.

Mr. ADSHEAD: Public grants are made for that purpose.

Mr. STEWART (Edmonton): They receive the grants for the purpose of educating the children, yes.

Mr. BENNETT: I think the Solicitor General (Mr. Cannon) has put his finger upon the only contention which we are making at the moment in connection with this matter. He has stated that the Commissioner of the Northwest Territories is not a minister responsible to this house nor to the country, he is a deputy minister who is a paid official of the crown. A minister has responsibility to one or either of the houses of parliament, and inasmuch as in 1924 it was thought desirable that a responsible minister should be charged with the obligation of administering the affairs of the Eskimos, it would seem to

me that some designation would be desirable, which would continue the sense of ministerial responsibility.

Mr. CANNON: Previously the Indian Act stated who was responsible for the Eskimos, but we have now an order in council instead of an act of parliament, and my hon. friend has doubts as to whether or not the act covering the Department of the Interior is wide enough.

Mr. BENNETT: It was thought it was not in 1924, and it was thought desirable to make it clear that a minister in either house of parliament should be the person responsible for the administration, or shall I say the minister in charge rather than the administrator, because there is a clear distinction between administration and ministerial responsibility.

Mr. STEWART (Edmonton): It is my intention to ask for an amendment to the Northwest Territories Act. All we are asking here is merely the repealing of what we did in 1927 in regard to the Indian Act.

Mr. BENNETT: This would be the act in which it would appear because they are wards of the nation. After all, the Indian Act is merely a code for dealing with the wards of the nation. They are called Indians in one instance, and Eskimos in another, both aborigines of this country. They are both wards of the nation and they are both covered by the Indian Act, which is a code only to deal with the conduct of the business of the wards of the nation as between the wards and the state. That is the reason I am drawing this point to the attention of the minister.

Mr. STEWART (Edmonton): If my hon. friend's convention were right, all that would be necessary to be done would be to add to the subsection that the revised statutes of Canada, 1927, be repealed and that the control be placed under the Minister of the Interior.

Mr. BENNETT: Except that it is not usual to deal with a statute in that way.

Mr. STEWART (Edmonton): I confess that my hon. friend has confused me. I would consider that the Northwest Territories Act would have to be amended. If my hon. friend would allow this section to stand, we will look into it.

Mr. BENNETT: I desired to make it clear to my hon. friend, as it is a legal matter. Subsection 2 says:

> The Superintendent General of Indian Affairs shall have charge of Eskimo affairs.

Instead of a minister we have now an officer, and if it is desired to follow the principle of ministerial responsibility, then there should be a substitution.

Section stands.

On section 2—Annuities and interest applied to maintenance.

Mr. BENNETT: This is a very drastic change.

Mr. STEWART (Edmonton): It merely gives us the right to transfer the moneys set aside. The present subsection reads:

> The superintendent general may apply the whole or any part of the annuities and interest moneys of Indian children attending an industrial or boarding school to the maintenance of such school or to the maintenance of the children themselves.

It is merely widening the powers. The annuities and interest moneys of Indian children attending industrial or boarding schools are not required for and not applied to the maintenance of such schools, and the provision for such application is eliminated in the amendment.

Mr. BENNETT: I am sure the minister realizes the seriousness of the situation. In four or five lines he changes a whole principle in connection with the appropriation of public money. Under the section as it existed before, a school was to be maintained and public funds went to maintain the school. This will enable the department to farm them out, a most pernicious practice.

Mr. STEWART (Edmonton): My hon. friend is wrong.

Mr. BENNETT: To pay somebody for them.

Mr. STEWART (Edmonton): May I explain the difficulty? In the last five years, finding that those boarding schools particularly were in great difficulties financially, we have taken over the schools and their equipment in their entirety and the government have become responsible for them. There is no further charge upon the pupils, the Indians or anyone else for the maintenance of those schools. The teaching of course is still undertaken by the churches, and per capita grants made to assist in the tuition. All we are trying to do is to make applicable to the teaching the annuities that formerly were applied to the maintenance of those schools, sometimes to the construction of them, of course always, I will admit, largely under the control of the tribes themselves.

Mr. ADSHEAD: Are the Indians consulted as to the religion they want their children to be taught?

Mr. STEWART (Edmonton): The Indians are always consulted. Seldom if ever do we take a child from an Indian family, unless the family are leading a vicious life, and place it in a school in opposition to their wishes.

Mr. ADSHEAD: Are they consulted as to the kind of religion they want their children taught ?

Mr. STEWART (Edmonton): Always.

Mr. NEILL: I should like to ask whether a situation like this would not obtain: if some piece of Indian territory or reserve is needed for a public purpose such as a railway, the consent of the band has to be obtained. They are paid so much of the sum, I think it is 50 per cent, in cash and the balance is put into their fund. There is always great difficulty in getting the Indians to sign because they say—"What is the use of our signing? We get only 50 per cent and the other 50 per cent you take and keep. You use it for relief; now you are using it for schools." The government is going to make it more difficult to get Indians to agree to this sort of thing. The interest on the money has been used to pay for relief and the department pays for relief in any case. The next time the Indians are asked to give up land, they will say: "What is the use? They are going to take half of our money and use it for themselves." That is the way the Indian will look at the matter and I must say there is a good deal of truth in it.

Mr. SMOKE: This section and a number of subsequent sections seem to have general application to all Indians throughout the Dominion of Canada. In my constituency and in that of my hon. friend from Haldimand (Mr. Senn) there is what is ordinarily called an Indian reserve. It is not really an Indian reserve such as those existing in other parts of the country because the land upon which these Indians live was ceded to them by King George III in the latter part of the eighteenth century. These Indians were not native Canadian Indians; they were New York Indians or Indians from the other side of the line who took the part of the British crown in the revolutionary war and when Britain lost that war they were granted by Governor Haldimand of Canada the right to come over here, take six miles wide on either side of the Grand river from mouth to source and occupy it in the same way as they occupied lands over in New York state. That was a treaty. From that day to this they have had a certain measure of self-government recognized by every authority. It is true that their measure of self-government has been encroached upon from time to time by the Dominion parliament and that there has been considerable dissatisfaction amongst these Indians on that account. The Indians of the Six Nations are as civilized as the white men around them. They follow our way of life. They have some peculiar customs of their own, traditional customs, to which they are greatly attached. They do not like their rights to be encroached upon. I would ask the Minister of the Interior whether the Six Nations Indian council, which has charge of the administration of affairs of that band, have been consulted with regard to this legislation, and whether their approval has been obtained.

Mr. STEWART (Edmonton): They have not, because I do not see any reason for consulting the Six Nations Indians or any other band of Indians unless the legislation is going to interfere with their administration. The question of education is not one in regard to which we have been consulting the Indians. We have been endeavouring to have the Indian Act amended so as to give the Indian child the same class of education that he would receive were he attending a public school in the province in which he is located. Moreover, the government of Canada are providing all the money; they are building the schools; they are maintaining them; they are giving grants for the teaching and so far as I know, outside of the annuities that are paid under treaty, which annuities are used for educational purposes, the Indians are given all those privileges which, if I may say so frankly, their white brothers do not enjoy without paying for. I am of course not making any complaint in that regard. The Six Nations Indians are not treated differently from any other band.

Mr. SMOKE: I maintain that they should be treated differently because they are in a different class. The Indians elsewhere in the country formerly inhabited the whole country and as time went on reserves were set aside for them. This was not a reserve set aside for Indians; this was a parcel of land ceded to them and their method of government was conceded to them. They are in an entirely different position from that of other Indians in Canada; they are in a class by themselves. I wish the Minister of the Interior and indeed, every hon. member, would make a study of the history of the Six Nations Indians. It is very little known. They have in this country, as they believe and as I believe, rights which are not recognized, and when legislation is introduced affecting the rights of the Six Nations Indians, they should be consulted because they have a council which has control of the administration of their own affairs. I think the consideration of this bill ought to be

deferred until it has been submitted to them and approved at least by the members of the council.

Mr. STEWART (Edmonton): If that method were adopted we would have a very difficult time passing any legislation for the control and benefit of Indians. The Six Nations Indians are consulted on all matters that affect them personally, just as is the case with every other band. They are getting the same class of education, the same assistance from the government. I am not going to enter into an argument this afternoon with my hon. friend about the status of the Six Nations Indians although I do not agree with him at all. I simply say that they get exactly the same treatment under the Indian Act as any other Indian band in Canada receives. If my hon. friend contends that the Six Nations Indians have a right to be consulted about any amendment to the act and none of the other tribes has that right, I cannot agree with him. I want to say frankly to my hon. friend that these few amendments are all in the interests of the Indian and Indian education, and for the betterment of the social welfare of the Indians, and if they have to be delayed until all the Indian tribes and their councils are consulted, there will never be any legislation pass this house.

Mr. SMOKE: The minister does not get my point at all. It is only the Six Nations Indians that occupy that peculiar position. All the other Indians in the country were natives of this country as far back as we can go, but that is not the case with the Six Nations Indians. They came here under a treaty, and I do think that, as they have a council which deals with the administration of their own affairs, they ought to be consulted with regard to any legislation proposed by this parliament.

Mr. BLACK (Yukon): Under the section as it stands the Superintendent General can apply the whole or any part of the interest moneys of Indian children attending an industrial or boarding school to the maintenance of such school or to the maintenance of the children themselves. That is, it is optional with the superintendent general to apply the money to the maintenance either of the school or of the children. By the proposed amendment the minister is reducing his own powers; he is preventing himself from devoting that money to the maintenance of the school. Cases might arise where it would be desirable to devote part of the money to the maintenance of the school. What is the specific object in curtailing the minister's power in that respect?

Mr. STEWART (Edmonton): I do not think that there is really very much need for the amendment, but the reason for it is that we no longer require these moneys for the maintenance of the schools because we have undertaken their construction and maintenance as government institutions for the religious organizations that are carrying on the teaching. That is not true with respect to the day schools, but a great number of them have been constructed by the government. The boarding schools, however, where the pupils are brought and kept for a period each year under the control of the principal of the school, are all now constructed and maintained by the government.

Mr. BLACK (Yukon): Is the government running the boarding schools?

Mr. STEWART (Edmonton): We construct and maintain them.

Mr. BLACK (Yukon): And the day schools?

Mr. STEWART (Edmonton): We furnish them, but are not responsible for their whole maintenance.

Mr. BLACK (Yukon): Is the government actually conducting these boarding schools?

Mr. STEWART (Edmonton): Yes, in the sense that we build and equip the schools, but the churches then take control of them, and we give them a per capita grant for each child. Formerly the churches built the schools and were doing practically all the work.

Mr. ADSHEAD: Is that per capita grant sufficient to pay all the teachers' salaries?

Mr. STEWART (Edmonton): I doubt if it would be. It is a pretty expensive proposition carrying on a school in these northern territories. I could not answer that question definitely.

Mr. ADSHEAD: Do the churches contribute something?

Mr. STEWART (Edmonton): The churches have been contributing very generously for Indian work.

Mr. COOTE: Is it not a fact that the main purpose of that per capita grant is to provide for the maintenance of the child, for its food and clothing?

Mr. STEWART (Edmonton): Yes.

Mr. COOTE: So far as I am concerned I think that this particular amendment is quite in order. In my opinion the old act gave the minister more power than he should have had in fairness to the Indian.

Mr. NEILL: I quite agree with the last speaker. I would go a little further and take this section out altogether. Why should the minister have power to take somebody else's money—for that is what it really comes to—and apply it against the Indian's will to some object which the government believes for the good of the child? We made a deal with the Indians. I am speaking more particularly of British Columbia, where I was agent for ten years, and I am familiar with the workings of the Indian mind. We agreed to educate them, to take care of their sick and destitue, and to give them a certain amount of medical relief. That was the understood bargain. Then we gave them a life interest in certain reserves. It is a little doubtful what their ultimate destination is, but the reserves may be used by the Indians as long as they like. On occasion the Indian has to sign away a piece of his territory, and what does he get in return? A sum of money, say $5,000. It is often necessary to get the Indian's consent, and now that he is becoming educated it is becoming more and more difficult to get him to sign away his land. Of that $5,000, $2,500 in cash goes to the members of the band, and the other $2,500 is put into a fund which accumulates and draws interest, I think, at 3 per cent. Then this is what I object to. From time to time there are relief bills incurred by the Indian agent, and the Indian department takes that accumulated interest fund and uses it for paying those relief bills. If the Indians had not given their consent to their property being taken those relief bills would have been paid just the same and to the same extent. The Indian begins to find out these things and says: What is the use of signing away our land, because we get only half of what we sell it for anyway, and the rest goes into a fund out of which bills are paid that would have been paid by the government in any case. I had understood that this money was applied only to relief. It is applied now, I find, to maintaining the children. We made a bargain with the Indians, and we should live up to it, and not take this circuitous means of taking away a piece of his land. It is becoming increasingly difficult to get the Indians to sign. I could give the names and dates of cases.

Mr. BENNETT: Why change it at all? As the act now stands you can use the money for rebuilding the school or maintaining the children.

Mr. STEWART (Edmonton): I could have saved myself a good deal of discussion if I had left the clause alone. The only reason for this amendment is that the officials of the department desired to have it in view of the fact that we are now assuming full responsibility for the building and equipping of the schools.

Mr. BENNETT: But you do not operate the school. You hand it over to somebody else, and since you do that, why deprive yourself of the discretion you now have in case you want to operate the school yourself? That is what I cannot understand.

Mr. STEWART (Edmonton): Indian education is fairly well defined. It is given over to the churches which have been carrying on this work for generations. Our assistance is now to a large extent a matter of providing buildings and equipment, together with a per capita grant for each child, which goes equally to all the Christian churches engaged in this work. May I say in reply to my hon. friend from Comox-Alberni that it took no small sum of money to build and equip all these schools, and it is going to cost a lot of money in the future. If a child who is attending this school is in receipt of an annuity, and is provided with an education and clothing and transportation to and from home, surely it is not too much to ask that you have the authority to apply towards that service such portion of the annuity as that child would have in any case. My hon. friend (Mr. Neill) has in mind another matter, not education. He has in mind the disposition of interest on money derived from the sale of Indian lands—sales made sometimes against the advice, if I may put it that way, of the Indian council themselves.

Mr. NEILL: Yes.

Mr. STEWART (Edmonton): Of course the Indian council never want to spend money on any object that might bring them some benefit unless they are going to see the benefit come directly to themselves. My hon. friend makes the statement that Indian debts could be paid under this section.

Mr. NEILL: No, not Indian debts; Indian department debts. You come along and take away the moneys they have accumulated in lieu of their land; that is just what you are taking. If you had confined the amendment to annuities I would not have had the same ground for complaint; but it says "annuities and interest moneys." "Interest moneys" would cover the case of a band that has two or three thousand dollars, on which interest has accumulated: you use the interest to pay relief bills which you are obligated under the law to pay in any case. It applies equally to schooling; the argument is the same.

Mr. STEWART (Edmonton): Surely my hon. friend will admit that if we have to incur expenditure for the relief of Indians—and, as my hon. friend knows, we cannot take the funds of another band and apply them to relieve the band in distress—this is reasonable. We are dealing only with the money standing to the credit of the band which for the time being is in need of relief. I think we are entitled to take that money to assist the band.

Mr. NEILL: No. That is exactly the point that I do not think I have been able to get the minister to see. Now we have arrived at the point of divergence. He says it is quite right to take the funds of the band to pay for their relief. On the face of it it seems so. But this money is something which has been exchanged in lieu of their land. As one Indian said to me, "It is all the same as if you took a piece of our land, because you are going to pay the relief whether we have a fund or not." You have obligated yourselves to do that. You get in exchange for the Indians' land a sum of money, and you propose to pay your Indian department obligations out of that money. At once the Indians will say, "Well, we have been tricked. We signed for the transfer, but we will never sign for another."

Mr. COOTE: What is the source of these annuities? This information might help to clear up the point.

Mr. STEWART (Edmonton): Strictly speaking annuities are moneys we have agreed to pay per capita annually for all time to the Indians in exchange for ceding their right to a very large territory. That is the source of annuities in one sense of the word. But my hon. friend is quite right here—there is an addition of the words "interest moneys." Of course those annuities are on a per capita basis, all the members of the band are participants. They are left with their reserve plus their annuities. That is, a certain territory is set aside upon which the Indians are located, and this territory is known as the reserve of that particular band. They have given up their right to all the surrounding territory for the annuities and this particular reserve. Now, the interest that my hon. friend speaks about is the result of further sales of their reserve.

Mr. NEILL: Yes.

Mr. STEWART (Edmonton): The interest accrues on the capital amount received from the sale of a particular portion of the reserve. Hence my hon. friend argues that if the Indians of that band find themselves in distress, the interest fund should not be used by the government to alleviate their distress; rather the government should find money from the revenues of the crown for that purpose and leave the interest fund intact. I must say, Mr. Chairman, that I cannot agree with him in that respect.

Mr. ROSS (Kingston): Will this section apply to the Six Nations Indians?

Mr. STEWART (Edmonton): We have applied the Indian Act in its entirety to the Six Nations Indians.

Mr. ROSS (Kingston): Then I agree with the member for Brant (Mr. Smoke) that the Six Nations Indians should be given special consideration.

Mr. STEWART (Edmonton): Would my hon. friend suggest taking them out from the jurisdiction of the Indian Act altogether and allowing them to be Canadian citizens in the full sense of the word?

Mr. ROSS (Kingston): The minister pointed out that Indian legislation covers every Indian in Canada. I would point out that the Six Nations Indians have a different status altogether from other Indian tribes. I agree with the member for Brant that the legislation should refer to specific bands, not to every Indian with whom you make a treaty.

Mr. STEWART (Edmonton): I cannot agree with my hon. friend.

Mr. ROSS (Kingston): That is all right, we have different views.

Mr. COOTE: Is an annuity what is commonly called treaty money?

Mr. STEWART (Edmonton): Yes.

Mr. COOTE: Then I agree with my hon. friend from Comox-Alberni (Mr. Neill), I do not think treaty money should be used for education. That is one of the treaty obligations of the government.

Mr. STEWART (Edmonton): That is quite true of recent treaties, but there are considerable differences in the treaties made with the various Indian tribes with respect to what may or may not be done.

Mr. COOTE: I understand the educational provisions of the Indian Act are compulsory.

Mr. NEILL: Hear, hear.

Mr. COOTE: They were put in the act not because of any treaty obligations. We are obligated to pay them treaty money or annuities, and it does seem to me that this

proposed legislation might very well be considered by the Indian as a violation of his treaty, if we deliberately take his treaty money or annuity to pay for the care of his children in school.

Section agreed to.

Mr. NEILL: On division.

On section 3—Children from seven to sixteen to attend school.

Mr. STEWART (Edmonton): This, Mr. Chairman, is merely extending the school age one year.

Mr. COOTE: Two years ago I was interviewed by a number of chiefs of the Blood Indian reserve. They complained that the children were taken from them at too young an age. They think the children should be left with them for another two years. As I understand it, at the age of seven years they are placed in these boarding schools, and can return to their parents only once a year unless the consent of the principal of the school is given to their going home oftener. A child taken from home at the early age of seven years and kept at boarding school until sixteen might scarcely know his parents when he returned home. That is the view of the Indians. It seems to me there is a good deal of reason in their contention. I bring it to the attention of the minister now that this section is being changed. I notice the new section provides:

> that where it has been made to appear to the satisfaction of the superintendent general that it would be detrimental to any particular Indian child to have it discharged from school on attaining the full age of sixteen years, the superintendent general may direct that such child be detained at school for such further period as may seem to be advisable, but not beyond the full age of eighteen years, and in such case the provisions of this section with respect to truancy shall apply to such child and its parents, guardians or persons with whom such child resides during such further period of school attendance.

The explanation of that is given on the next page. I must agree that the purpose of this amendment seems to indicate a step in the right direction, namely the safeguarding of those Indian children who have been in boarding schools until they have reached the age of sixteen. At the expiration of their school term there is no proper home to which they may go. I think, in general, this criticism might be levelled at our educational policy. Having kept them in our schools and separated them from their parents from the ages of seven to sixteen, we turn them loose from school and send them back to the Indian reserves. As I see the system, viewing it from the outside, we attempt to civilize the Indian child, and to make a white boy of an Indian boy. When he has reached the age of sixteen we send him back to the Indian reserve, with no provision for him and very little possibility that he will continue to live in the atmosphere in which he has been brought up in the school. I think our effort is largely thrown away.

I was impressed with an article which appeared in the August, 1929, issue of the Literary Digest. It refers to the American Indian, but to some extent I think it would apply to the Indians of Canada and their relation to our educational policy. I shall read one or two sentences from this article:

> Reversion to the blanket and a primitive way of living is said to be the tragic lot of the educated young Indian. It has been the policy of the government, we are told, to send the young Indian back to the reservation on the theory that he would leaven the whole lump; but experience shows, instead, that the returned student is forced by custom and example to drop all that he has learned, and to shed his civilization with his white man's clothes.

It would be unfair to say that that applies entirely, in our own country; but, very often it does apply. There are instances given which appear in the explanatory notes on the opposite page of this amendment to the Indian Act. The note to which I have reference says:

> As an instance, an Indian whose wife was dead and who was eking out an existence begging in the streets of a city demanded the release of his daughter from a residential school at the expiration of school age, which was refused.

In my opinion, the refusal was quite proper. Under the amendment the principal of the school may keep the child two years longer, but if the father is still desirous of taking her away when she reaches the age of eighteen, she is not in a much better position. True, she is older, but what future is there for that young child upon which we have spent so much money? We have given her religious and scholastic education; we have protected and sheltered her from the effects of her Indian environment from the time she was seven until she reached the age of eighteen. When she is turned loose from the industrial or boarding school, however, what will become of her; what is becoming of the Indian boys and girls we are turning out to-day?

I think our educational system is falling down in that it does not provide some means whereby these children upon whom we have spent so much money can go on living in what we term a civilized way, rather than

returning to the Indian way. From this statement I do not wish to leave the impression that I begrudge one cent of the money spent to educate the Indian children. We have kept them in the schools from the time they were seven years old, during which time they have been taught subjects that would not enable them to earn their own living in the way an Indian is supposed to live. They are not fitted for the life of an Indian by the training they receive in our school; we have trained them in a direction other than that. Yet in the great majority of cases when they leave our schools at the age of fifteen of sixteen they go right back to the reserves; there does not seem to be anything else for them to do. The result is, as this writer whose words I have read to you has said, that in a few days the blanket of civilization with which we have clothed them through all these years is stripped from them. In some cases they go back and live in wigwams, and while we may have taught them the use of the toothbrush and the bathtub, such articles of toilet are not available after they leave school. One might imagine that the young Indian would have to withstand ridicule from his Indian friends if he persisted in the use of the toothbrush upon his return to the wigwam. I know the minister is interested, and I want to have the interest of the whole house in the problem of dealing with the Indians from the time they leave the industrial school. I think a start should be made by establishing an employment agency in the industrial school, so that before the children are allowed to leave, the authorities might endeavour to find the proper places in which to put the young Indian boys and girls. During the time such employment was sought, these children could remain in the schools. It is a difficult problem, but one which in fairness to the Indians and to ourselves we should endeavour to solve. We should see that these children are given a chance to live in the way we have taught them during their term in the industrial schools. If such is not done, I think we will be doing an injury to the Indians.

Mr. SMOKE: There are some points in the remarks of the hon. gentleman who has just resumed his seat to which I must take exception. He has outlined conditions very different from those which exist in the Six Nations reserve at Brantford. Much of what he has said in connection with Indians with whom he is familiar do not apply to the tribe to which I have reference. Many of the Six Nations Indians are good farmers. I do not object to the schooling or education they receive, nor do I think that the education they get on the reserve will spoil them when it is necessary for them to go back to help on their fathers' farms. They are real farmers in the counties of Brant and Haldimand; they are not nomadic tribes. I just want to dissociate myself and the Six Nations Indians from the class referred to by the last speaker.

Mr. STEWART (Edmonton): I think the Six Nations Indians might be taken as a pretty fair criterion of what can be accomplished with all our plains Indians. One must remember that in the northwest and in the prairie provinces it is only a few years since all the Indians were hunting for a livelihood, and it is rather a difficult thing to change their mode of living almost over night. However, having visited the Six Nations Indians on a number of occasions I came to the conclusion that the Indians could be taught to be good agriculturists. You can scarcely tell when you are on or off that reserve, so far as farming methods are concerned; the Indian is almost as good as the white man there. On the File Hills reservation in Saskatchewan and on the Blood Indian reserve in Alberta we have been trying the experiment of providing some assistance for those young people who will take up agriculture, in order to permit them to construct houses, get married and take up farming operations on the reserve, and I think this is working out fairly satisfactory.

However, I must say frankly that when you get off the plains and into the wooded areas all over Canada, it is most difficult to know what to do with these young boys and girls. The churches do frequently take them and endeavour to give them secondary education. Many of them are very bright and intelligent; some of them take technical training and do well, but I must admit that we cannot find occupations of that character for very many pupils from the wooded areas. Naturally they are somewhat handicapped as young men and women going in among their white brothers and sisters in the ordinary vocations which are open to them. I have been giving that matter very serious thought in the hope that we might establish some scheme that would take care of these boys and girls when they leave the schools, give them training that would enable them to continue to follow the good influences to which they were subjected at the schools, and eventually—although one hardly dare say this —become enfranchised citizens in the real sense of the word and take upon themselves the full responsibilities of citizenship. However, I am not able at the present time to

offer any concrete solution of that problem; I can only say that we are giving it very serious consideration.

Mr. DUPUIS: I should like to know whether many of these Indians who have gone to school until the age of seventeen or eighteen have asked to be emancipated in order to enjoy the civil rights of the white people of this country?

Mr. STEWART (Edmonton): Yes, an ever-increasing number of the Indians have been asking for enfranchisement.

Mr. GARLAND (Bow River): Not at that age.

Mr. STEWART (Edmonton): No.

Mr. GARLAND (Bow River): That would be later in life?

Mr. STEWART (Edmonton): Yes.

Mr. GARLAND (Bow River): I thought the hon. member referred to the time they left the schools.

Mr. STEWART (Edmonton): They could not be enfranchised until they became of age.

Mr. DUPUIS: What I was getting at was whether, through their education, the Indians were more desirous of enjoying the civil rights of the country.

Mr. STEWART (Edmonton): I think I can answer that in one word; yes.

Mr. COOTE: Has the department ever considered the possibility or advisability of picking out some of the more promising young Indians, which might be done on the recommendation of the teachers in the school, and giving them further education, perhaps in the technical schools? Would it not be possible to spend a little more money and send some of these young men to the technical schools in their own province, after which they might secure work on their own reserves or perhaps in adjacent towns?

Mr. STEWART (Edmonton): Yes, we have been giving that matter consideration.

Mr. NEILL: I think in justice to the department I should go on record as being of opinion that the department is doing a good and satisfactory work in teaching these children. Something was said about the boarding schools. For many years I saw the work of the day schools on the reserves, and I must say that the department has shown wisdom in practically abandoning those schools. They were utterly useless; the Indians moved around so much that by the time the teacher got a child at one fishing station and gave him a few lessons, the family moved away and the children learned practically nothing. They forgot what little they had been taught before the teachers got hold of them again for another few days. In the boarding schools, however, they are kept from the time they are about seven years of age until they are sixteen. They get home for a month or so in the summer time and they are not subject to any more restrictions than are imposed upon white children in other boarding schools.

The condition to which my hon. friend referred in quoting from the Literary Digest was true, perhaps, of what you might call the first generation of educated Indians. So far as we could judge, they went back to the dirty, filthy conditions under which their fathers and mothers lived, but there was some difference, and when you came to the children of those people you found a very marked difference. Now when these children leave the schools they go back to homes where the conditions approximate those which obtained in the schools. In the old days, when they got a little bit advanced they would buy some white man's furniture; they would put it in the front room, where there was a board floor, and then they would live in the woodshed where there was a dirt floor and under all conditions which had prevailed during the time of their ancestors. The second generation, however, has progressed beyond that stage; they have stoves, gramaphones, sewing machines and all the rest of it, and when these children go out into the world they are much more able to compete with white people. Their parents realize that. In the old days it was necessary to use compulsion in order to get these people to send their children to school, but now they are anxious to do so because they know the children must learn the white man's language in order to prosper.

It has been suggested that they should be given some advanced education along technical lines. Our industrial schools do give them that education; they are taught such trades as shoemaking and carpentering, and every industrial school must have at least one technical instructor. Beyond that I would not go. After all, our subject is to make these people good Indians, and if we accomplish that object we are doing all that is required. In the coast district of British Columbia these children take up the occupations of their parents; they carry on fishing or work in canneries, and they are much better equipped to do that, and receive higher wages and live under greatly improved conditions, in consequence of the education

they receive. I think the amendments suggested here are to the advantage of the Indians themselves.

Mr. COOTE: Could the minister tell us just how long these Indians are kept in the boarding schools and what vacations they get each year?

Mr. STEWART (Edmonton): I cannot give my hon. friend the period of vacation, but we try to give them an annual holiday in order to permit them to visit their parents.

Mr. NEILL: They get one month each year, in addition to a short holiday at Christmas.

Section agreed to.

On section 4—removal of cattle.

Mr. FRASER: What is the explanation of section 4?

Mr. STEWART (Edmonton): It simply provides that in all cases the cattle either in charge of or owned by the individual will not be disposed of without the consent of the agent. Later on this is made a little more emphatic.

Section agreed to.

Sections 5 and 6 agreed to.

On section 7—produce unlawfully possessed.

Mr. COOTE: I should like the minister to make an explanation, which would apply to all these sections, as to why these changes are being made.

Mr. STEWART (Edmonton): Perhaps I might take section 42 as an example. The old section read:

> If any such grain or root crops, or other produce as aforesaid, are unlawfully in the possession of any person within the intent and meaning of this part, or of any regulations made by the governor in council under this part, any person acting under the authority, either general or special, of the superintendent general, may, with such assistance in that behalf as he thinks necessary, seize and take possession of the same; and he shall deal therewith as the superintendent general, or any officer or person thereunto by him authorized, directs.

The repealed section provided that the superintendent general might order seizure of grain or root crops, or other produce unlawfully in the possession of any person; the amendment extends the provision to include the seizure of cattle or other animals. Our greatest difficulty is in the preventing of trafficking with the Indian where actual possession of his crop is obtained without the knowledge of the agent. In nine cases out of ten the Indian makes a very improvident deal. It is not our desire to be arbitrary but rather to protect the interests of the Indian himself. We have pretty wide powers in this respect, but once in a while a shrewd individual will make a deal with an Indian and will remove the material from the reserve. We want to be in a position to follow that up and get possession of the Indian's property.

Mr. COOTE: Has not the agent the power to prevent the sale of any goods raised on the reserve?

Mr. STEWART (Edmonton): Yes, but there is some doubt of our control after those goods have been removed from the reserve.

Section agreed to.

On section 8—farms on Indian reserves.

Mr. SMOKE: Does the minister contemplate applying this section to the Six Nations Indians, because they are farmers?

Mr. STEWART (Edmonton): No.

Mr. SMOKE: Why make laws applying to them?

Mr. STEWART (Edmonton): We have not been in the habit of eliminating the Six Nations Indians from the Indian Act. It might as well be said that it is not necessary to apply the educational clause to those Indians, and yet they want that clause applied. This section would allow us to establish farms, mostly in the western provinces. We have one farm at the present time which was organized during the period of the war when there was a need for greater production, and that farm has been kept in operation for the purposes of providing seed. Our difficulty has been that while the accounts are audited by the Auditor General we have to return into the general revenue whatever receipts may be obtained and then ask for a vote from supply for the purpose of carrying on. We are asking that the accounts continue to be audited by the Auditor General but that we be given permission to use the money for the operation of the farm. We accumulated a very considerable amount in reserve and we asked the permission of parliament to use some of it for the purpose of establishing these young people upon farms, but what we are asking now is simply that we be allowed to use this money as a revolving fund for the purpose of carrying on the farm.

Mr. FRASER: How far does the minister expect this section will go? Will he be permitted to go upon any Indian reserve, in

British Columbia for instance, and hire men to instruct the Indians who may be upon that particular reserve?

Mr. STEWART (Edmonton): No.

Mr. FRASER: The section would indicate a very wide power.

Mr. STEWART (Edmonton): We ask only for the power to use the moneys derived from this farm, which will be operated by the agent and the farm instructor. This farm is located near Regina and no additional officers will be required for the operation.

Mr. FRASER: It would look to me as though you could go upon any Indian reserve and hire any person to give instructions to the Indians.

Mr. STEWART (Edmonton): My hon. friend will understand that if we are to operate this farm we must hire Indians altogether to do the work. Those Indians expect to be paid every night and it would be very convenient to have this farm operated as is any other farm, that we be permitted to utilize the receipts in order to carry on the ordinary farm work. The accounts would continue to be audited by the Auditor General; I am not suggesting any departure in that connection.

Section agreed to.

On section 9—amusements on the Sabbath.

Mr. SMOKE: The Six Nations Indians, as the term implies, are a group of tribes, some of the Indians being Christians and some pagans. These Indians are entitled to continue their customs, and they were given that privilege when they were brought to Canada by the British government in about the year 1780. I am not advocating a loose Sabbath or anything of that sort, but so far as the pagan Indians are concerned, they do not know what the Sabbath is, or at least they are not supposed to know. I am informed that in the township of Tuscarora, and in some of the adjoining townships, they have carried on sports on Sundays. I have not heard of any disturbance being created, and I would like to know if the government has received any complaints from the Indian council in that regard. I can quite understand the minister's anxiety to pass legislation of this kind, but these people are very sensitive and I do not think there should be any undue interference with what they consider to be their just rights and privileges.

Mr. STEWART (Edmonton): We are asking that we be given some control over games conducted on the reserve, which games are quite frequently organized by other than the Indians themselves.

Mr. SMOKE: Has the minister received any complaints?

Mr. STEWART (Edmonton): I have received very strong complaints against the Six Nations Indians, although not lately.

Mr. SMOKE: By the Indians themselves?

Mr. STEWART (Edmonton): Yes, by the Christian Indians who reside upon the reserve.

Mr. SMOKE: That does not apply at all.

Mr. STEWART (Edmonton): Collections were made at the games, and liquor was distributed and the Indians became intoxicated. I do not think my hon. friend can deny that as I have the direct evidence of the police themselves.

Mr. SMOKE: I am not denying it.

Mr. STEWART (Edmonton): This legislation is not aimed at the Six Nations Indians. I am asking simply that we be given some control so that such conditions will not exist at these games. To be quite frank, I do not think there is any more harm in an Indian playing baseball on Sunday than there is in a white man playing golf, and if it is left to my discretion I would not say that I would stop these games. I am going to stop the bringing of liquor there.

Mr. SMOKE: That is not referred to in the bill.

Mr. STEWART (Edmonton): No, but that is the purpose of having some control. We wish simply to have control of some of the vicious practices that grow up around those games, not with the desire to stop them.

Mr. GARLAND (Bow River): I entirely agree with the criticism of the hon. member for Brant. I think one of the great weaknesses of what we call our modern civilization is that we are in many cases attempting to thrust down the throats of many citizens of the country Christianity by law. You cannot do that; you cannot make people Christian by law, nor can you make them observe the Sabbath in accordance with the tenets of the Lord's Day Alliance.

Mr. MANION: Religion.

Mr. GARLAND (Bow River): I think my hon. friend corrects me properly.

Mr. STEWART (Edmonton): I hope my hon. friend is not going to argue that the pagan religion is the only effective one for the Indians.

Mr. GARLAND (Bow River): While I agree that the minister will administer the act fairly, what about those who have charge of the administration of it, those who are under him, those who are out there and who may be subject to the ultra moral influences of some religious organization? Frankly I have no objection to healthy young men and women playing innocent, good games on the Sabbath, if you like, after they have gone to church, if they are churchgoers; but I cannot for the life of me agree to a policy of restricting youth especially either to long walks or to complete silence within their homes. We might as well go back to Scotland in some of the worst days in its history if we are going to adopt a policy of that kind. I do not think it should be applied to the Indians especially when we who are so particularly moral in respect to observance of the Sabbath, as the minister has indicated, sometimes make a good deal of money and very often have a very hectic and unpleasant time playing golf on Sundays. I have known perfectly good Christian gentlemen, after church or sometimes without going to church, quite frequently to go out and put up a substantial bet on every hole they played. It is all right for them to do that, but not for an Indian to play a game of baseball. As long as the minister is personally supervising the interpretation of the act I believe it is safe to leave it in his hands, but I do not think it is safe to leave it in the act, because we are quite certain the minister will not personally administer the act; it will be left in the hands of a local agent or supervisor.

Section agreed to.

Sections 10 to 14 inclusive agreed to.

On section 15—certificate of analyst to be accepted as prima facie evidence.

Mr. COOTE: Would the minister kindly advise the committee just what is the need of clauses 14 and 15? Have there been recent occurrences which make this necessary?

Mr. STEWART (Edmonton): This is really to bring our act into conformity with the provincial act. Clause 15 is drafted from the Alberta act so as to bring this act into conformity with the provincial legislation. I am told that it is working out very satisfactorily. I confess it looks a little drastic to accept a certificate as to the contents of a bottle of liquor, for example, without bringing a man into court, but I understand this has been done for the purpose of better enforcement of the law and that no serious complaint has arisen with respect to it. Liquor is one of the things with which we have a great deal of trouble on an Indian reserve and we want to bring the law into conformity at least with the law of the province.

Item agreed to.

On section 16—Indian wasting his time in a pool room.

Mr. COOTE: Would the minister give an explanation of this?

Mr. STEWART (Edmonton): If my hon. friend has visited Macleod he has got a full explanation. One of the difficulties we have in keeping the Indians farming in the communities where we are making some progress with them, is that they waste so much time loitering around the pool rooms in the towns, and if there is an agricultural fair within a hundred miles we have a most difficult time in keeping them at work on the reserve. It is true we have been guilty to some extent in allowing them to become part of the show at those agricultural fairs, and possibly we should not blame them too much for going, but if we have not some control—perhaps my hon. friend thinks this is drastic—we shall not be able to keep the young men particularly, and the old men as well, from engaging in games of chance within a pool room.

Miss MACPHAIL: I am convinced now that we are producing too much farm produce in any case, so why get so fussy about keeping the Indians at work? When we have to regulate how many hours they shall stay in a pool room, who is going to have the say as to the right number of hours? I suppose the white man's amount will be the correct number of hours, and then the Indians must go back to the farm. I think a section like that is ridiculous. It would be better if they never worked at all than to force them to do it. This will open the way for persecution. The same thing is true about the games; they are not to do this or that. Anybody who has ever taught children knows that the more not-to-do's you have, the worse it is for the children. I think these two clauses are unsound.

Mr. STEWART (Edmonton): All I can say is that I wish my hon. friend had the job of looking after the Indians. If she had, she would find that a lot of things that appear to be unsound are absolutely sound. I know at times the complaint is made that the Indians are treated too drastically, but one

must bear in mind that the Dominion of Canada is spending a great deal of money on them.

Miss MACPHAIL: It is their country.

Mr. GARLAND (Bow River): It is their own money.

Mr. STEWART (Edmonton): Possibly that charge may be laid too, but hon. members do not want the Indians to remain in the condition in which they are to-day; they expect the department to show some progress with them. That is what we are endeavouring to bring about, and we are simply asking for authority to control a situation that is very serious from the standpoint of administration. There are two things that do more to injure the Indians than any others. One of them is liquor, and it is the worst influence in any community. If my hon. friend thinks an Indian can loiter around a pool room without coming into contact with liquor, all I can say is that she does not know the Indian as well as I do. The proper place for an Indian is on a reserve or in a school. Neither the white man nor the Indian gets much good out of his association with a pool room.

Miss MACPHAIL: If we are going to discuss what is the proper place for an Indian, then we should say at once that it would be to allow him to live his natural life. We have made that impossible. I do not want the impression to be gathered that I should like the Indian to have liquor or to be in a pool room, but by saying how long he is to remain in it and that he must get out at a certain time we are putting into the hands of some official a great deal of power which may be used in a very high-handed way. If the Indian race is a degenerate race, I am afraid that the whole effort is wasted. It may or may not be that a remnant of the race can be saved; I am not convinced one way or the other.

Mr. FRASER: You are imposing a penalty on the pool room proprietor for allowing an interdicted Indian to play pool. How is the pool room proprietor to know that the Indian is interdicted? Are you going to placard the Indian?

Mr. STEWART (Edmonton): You do not placard an interdict for liquor.

Mr. COOTE: I did not ask for an explanation of this section with the idea of opposing it. I did hope that the minister would explain the first few lines of it. It seems to me it needs a little explanation, at least, to one who may not be familiar with the act. It says:

[Mr. H. A. Stewart.]

Where it is made to appear in open court that any Indian, summoned before such court, by inordinate frequenting of poolroom either on or off an Indian reserve.

I wonder if there is any provision in the law for summoning an Indian because he frequents a pool room too much. That was the point that I thought needed explanation. While on my feet, let me say that no one regrets more than I do seeing these young Indians spending so much time around pool rooms. It is possibly because we have not completed our job of educating them, and have turned them loose from the schools without providing a place for them to go. For fear I may have been misunderstood, I want to say that I have visited quite a number of these industrial schools and have a great admiration for the men and women who are teaching in them. They are doing a fine work, the very best they can. My whole criticism is that our system does not go far enough. It does not carry the Indian up until he has reached the age of manhood or maturity. Perhaps the minister would make a very brief explanation of just how he is going to summon the Indian into court; and is there any act under which a judge can say that the Indian is spending an inordinate amount of time in the pool room?

Mr. CHAPLIN: What is inordinate?

An hon. MEMBER: Ten hours a day.

Mr. STEWART (Edmonton): I think my hon. friend gets a pretty fair explanation from the wording of the clause itself. The act will make it an offence, not a criminal offence, for which you can summon the Indian to appear in court, and the magistrate will be the judge of what is inordinate. If the Indian is loitering away his time in a pool room to the extent that his family is suffering in consequence, the magistrate will be the one to decide what the penalty shall be. It is left entirely to his discretion.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. GARLAND (Bow River): Mr. Chairman, there is one phase of the application of this section to which I would direct the attention of the committee. In my province in the vicinity of the Blackfeet reservation the farmers are accustomed to hiring young Indians in the fall for harvest work and threshing. During the threshing if rain or snow interrupts operations the whole crew goes to town. There the men have only two

places to resort to, the pool room and the beer parlour. This section would prohibit them from using the pool rooms. It looks to me as if it would put a premium on the use of beer parlours.

Mr. STEWART (Edmonton): Oh no.

Mr. GARLAND (Bow River): I know that is not the intention, but unless they sit on the steps of the hotel in cold weather, and of course they will not do that, they have only the two places to which I have referred to go to. Frankly, I think this section is going too far. I have no objection to the minister providing himself with ample powers to prevent abuse of their privileges by the Indians themselves, or for the protection of the family, or even of the tribe; but this section confers a power which will be exercised by some agent or local supervisor to determine what is the proper number of hours for an Indian to spend in a pool room—whether Tom Longcloak or Eagle Feather spent too much time there yesterday, and if either does the same to-day to report it to a magistrate, who shall forbid the owner of the pool room to allow the Indian to enter it again for a certain time. This may be all very well, but who is to determine the proper number of hours that the Indian may spend in the pool room—the minister?

Mr. STEWART (Edmonton): Certainly not. Hon. gentlemen are getting excited about a situation that does not exist. A careful reading of the section will disclose the fact that the Indian must of necessity have neglected his family by staying in the pool room.

Mr. GARLAND (Bow River): Who is to determine "neglect"?

Mr. STEWART (Edmonton): The magistrate.

Mr. GARLAND (Bow River): But the magistrate would determine that only after complaint to him by somebody else.

Mr. STEWART (Edmonton): That is perfectly proper. The same thing would apply in the case of a drunken white man. The magistrate decides whether or not he should be put on what we used to call the Indian list; I do not know what it is called to-day. If Indians loiter to the extent of neglecting their duties to their families, they would be subject to this section. Surely that is ample protection for the Indians and some protection for the owner of the pool room. The owner of the pool room would be notified that in the opinion of the magistrate the Indians were spending too much time there to the detriment of their families. That is all.

Mr. ADSHEAD: Should not that provision apply to any Canadian citizen? He is supposed to know a good deal better than an Indian what he should do.

Sir EUGENE FISET: Especially a member of parliament.

Mr. ADSHEAD: Why should not the magistrate decide that James Smith is neglecting his family by resorting to the local pool rooms and prohibit him continuing that neglect?

Mr. STEWART (Edmonton): He would, if someone laid a complaint against James Smith. For instance, if a man is using so much liquor that he is neglecting his family, he can always be haled into court.

Mr. ADSHEAD: But why introduce this section?

Mr. STEWART (Edmonton): The Indian Act applies to Indians.

Mr. CAHILL: Before the bill leaves the committee I wish to ask the minister a question pertaining to a reserve in my constituency. In the township of Nedellia in the county of Temiskaming there is a reserve occupied by a small number of Indians. It is two miles across by six miles long and in the centre of a well-settled district. The settlers are very anxious to have the reserve removed—if possible—of course, always with the intention of reimbursing the Indians for the land they may abandon. The settlers desire this because the Indians are not making any roads through the reserve, and therefore, it is necessary to travel considerable distances to get to and from town or church, which is very inconvenient for the settlers. I understand the matter has been before the minister on several occasions and I should like to know if he is making any progress towards its settlement.

Mr. STEWART (Edmonton): This is one of many matters affecting Indian reserves in the province of Quebec that we are now considering with the provincial government. My hon. friend will remember that we got a settlement of these matters with the Ontario government, and the proceeds of the sale of the land is used for the benefit of the interested Indians in that province; but in the province of Quebec we have not yet reached a settlement. We are hoping to make a satisfactory arrangement that will enable us to clear up this matter.

Mr. IRVINE: Is a pool room the only place in respect of which an Indian would become liable to punishment if he frequented it too much? There are other ways in which he might waste his time, for instance, standing on the sidewalk or sitting under a tree. Are the latter things all right, and must he waste his time in a pool room to be arraigned?

Mr. STEWART (Edmonton): I do not think my hon. friend is serious.

Mr. IRVINE: I am.

Mr. GARLAND (Bow River): I would rather waste my time in a pool room than outside on a cold day.

Mr. STEWART (Edmonton): I think my hon. friends know full well that it is pretty difficult to keep an Indian working—

Mr. IRVINE: Or to keep anybody working.

Mr. STEWART (Edmonton): —just a little more difficult than it is to keep the white man, unless we have provisions for restraining him to some extent. We do not wish to discipline him, because we have provided in this clause that a magistrate must deal with the case—not a superintendent general; not an agent. It may be done, however, by one or two magistrates in the district, and will have the same effect upon the owner of the pool room. There are already in the act a great many provisions for restraining the Indian and endeavouring to get him to obey the laws. This is one of the little difficulties, not provided for in the Indian Act, that we encounter from time to time, and I am asking for the amendment so that we may be able to lessen the difficulty. I do not claim for a moment that the white man has any more right to frequent a pool room than an Indian; that is not the point. But if the Indian persists in spending all his time there, as he frequently does, we want some means of restraining him. That is all we ask. May I add that I am informed that not a very large number of Indians need such restraint. After all, these restrictions are not for the general body of Indians, any more than our laws are for the general body of white men; they are for the Indians that we cannot control without special provision.

Mr. IRVINE: I object to it on the ground of the exception we take in regard to Indians. I do not think we ought to pass a law, even against Indians, which we would not dare to pass against white men.

[Mr. C. A. Stewart.]

Mr. STEWART (Edmonton): May I say to my hon. friend that if the white man loiters in a pool room to the detriment of his family he will find himself in trouble.

Section agreed to.

On section 17—control of public games on the Sabbath.

Mr. IRVINE: This is going even further. The aim of this section appears to be to control the Indian on the Sabbath day. May I ask the minister why these extremes are requested? What is his explanation?

Mr. STEWART (Edmonton): We are simply adding to the powers of the council. I will read the powers that are within the control of the council, which is an elected body of the Indians themselves. This amendment affects section 185, subsection 1, revised statutes of Canada, 1927:

> The council may, by by-law, rule or regulation, approved and confirmed by the superintendent general provided that the religious denomination to which the teacher or teachers of the school or schools established on the reserve shall belong, shall be that of the majority of the Indians resident on the reserve; but the Protestant or Roman Catholic minority on the reserve may also have a separate school or schools, with the approval of and under regulations made by the governor in council.

Then they make regulations and by-laws in recpect to various things—health, order, disorderly conduct, subdivision of reserve, trespass, school houses, roads, public works, watercourses, removal of trespassers, et cetera. It is in regard to this latter subject to which section 17 of the new act refers. The section in the revised statutes referring to the removal of trespassers reads:

> The removal and punishment of persons trespassing upon the reserve or frequenting it for improper purposes—

This is under the control of the council. To that we add the provision outlined in section 17 which gives the council of the band the right to control or prohibit participation in sports, games, athletic tests or other such amusements on the Sabbath day.

Mr. ADSHEAD: It prohibits the Indians from engaging in sports on the Sabbath day?

Mr. STEWART (Edmonton): Yes. To that extent the council have control on the reserves. It is simply an additional power to the ones they already have, such as revenue, assessments, rates, payment of Indian's share on his default, appeals, et cetera. It is adding somewhat to the powers of the Indian council.

Mr. ADSHEAD: I note that at the side it says:

Serious complaints have been made with respect to the assembling of boisterous and undesirable crowds on Indian reserves—

May I ask who are the undesirable crowds?

Mr. STEWART (Edmonton): Usually they are from the outside.

Mr. ADSHEAD: White men.

Mr. STEWART (Edmonton): Yes, white men.

Mr. ADSHEAD: And because the white men misbehave themselves you are going to prohibit the playing of baseball by the Indians on Sundays.

Mr. STEWART (Edmonton): No; it is not prohibitory unless the council says so.

Mr. ADSHEAD: But it is because of the bad conduct of white men.

Mr. STEWART (Edmonton): And there may be other reasons.

Mr. SMOKE: Again I take exception to the remarks in connection with Indians generally. In most of the reserves throughout the country I fancy the Indians compose a homogeneous band; they all belong to one particular tribe. In the Six Nations reserve, situated near Brantford, there are six different Indian nationalities. I am not sure that I can name them all, but I can remember at last four of them, namely, the Onondagas, Cayugas, Tuscaroras and Mohawks—there are two others. There we find six separate nations, one or more of which is pagan. They have different ideas from those of Christian people, and I do not think it would be fair if the council of the Six Nations was allowed to legislate in matters of conscience in regard to the pagan members of the Six Nations band.

Mr. IRVINE: I was wondering if the Indians would be subjected to regulation if they took up the playing of golf. A great many of our distinguished citizens enjoy a game of golf on Sunday. I do not see why we should interfere with the Indian's Sunday golf, or any other game he chooses to indulge in; as a matter of fact, we ought to encourage him to play. I must express my approval of the remarks made by the previous speaker; it surely would not be fair for this parliament to pass legislation which would give the council the right to dictate against the thought and conscience of certain groups of Indians.

Mr. ROSS (Moose Jaw): The intention here is simply to turn over a certain responsibility to a council of the reserve, the same as this government or a provincial government, would delegate to cities, towns and villages certain rights in respect to the regulation of their own territory. Surely we should be able to do that. We are taking nothing away from them, and if the majority of their people, as represented by their council, say they do not want a certain thing done on a certain reserve, certainly we should give them power to prohibit.

Mr. STEWART (Edmonton): That is right. May I point out to my hon. friend that the Indian council is elected; it is a democratic institution and my hon. friend is strong for democratic institutions. In addition to the other regulating clauses under which the council operates, we are simply providing that this shall be within their power. They need not stop a baseball game on Sunday, if the council are in agreement. They act just as the council acts in any other municipality.

Mr. GARLAND (Bow River): Has each reserve a council?

Mr. STEWART (Edmonton): Yes, and if there are no councils this will not be effective, because these powers are given only to the councils.

Mr. BARBER: There is another matter I should like to bring to the attention of the minister. Apparently the amendments before us tighten up the law to protect the Indian from the white man, which I think every hon. member will agree should be done. However, there are a number of us in the west who feel that some provision should be made for the protection of white people from the Indians. I refer particularly to a matter which has been presented to the government by several of the public bodies of our province; I refer to motor accidents. There have been several very bad accidents in our province caused by the reckless driving of Indians. A careful driver may go out on the road and be hit by a car driven by an Indian; his car may be badly damaged, but he has no chance of collecting damages. On the other hand, if he hits a car driven by an Indian and damages it, he must make good that damage. The resolutions which have been forwarded to the department by the good roads league, the board of trade, and other organizations, point out that under section 106 of the Indian Act an Indian has the right to sue for debts due him, or in respect of any tort or wrong inflicted upon him, or to compel the performance of contracts with him. No provision is made in the Indian Act whereby Indians can

be sued for any wrong inflicted by them, and these resolutions have requested amendments to the Indian Act granting permission to an aggrieved person to sue an Indian for damages, or to compel them to assume the liability assumed by other users of the highway. I should like to get some expression from the minister as to whether consideration has been given this question.

Mr. STEWART (Edmonton): This introduces an entirely new feature, to which we will have to pay considerable attention. We have made laws in order to prevent an Indian from getting into difficulty with his creditors, but just how far we can go in making him liable to the civil actions to which my hon. friend has referred I am not prepared to say. There are cases where the Indian could pay damages, but I am afraid such cases are not very numerous. After all, the Indian is a ward of the government, and if damages were assessed against him I imagine it would become the responsibility of the government to pay those damages. However, I promise my hon. friend to give the question some thought. We have given it some attention, but it is a very difficult and knotty point.

Section agreed to.

The CHAIRMAN: Section 1 was allowed to stand.

On section 1—Eskimo affairs.

Mr. LAPOINTE: My hon. friend the leader of the opposition suggested that there should be some amendment replacing what is being taken away, but I would direct his attention to the fact that this subsection was added to the Indian Act. We could not very well put in the Indian Act a subsection stating that the Eskimos are under the Minister of the Interior. Prior to that amendment of 1924, they were under the Minister of the Interior, because they belong to the northwest. The statute concerning the Department of the Interior states that the Minister of the Interior has supervision over all the affairs of the Northwest Territories. I think if this subsection disappears the situation will be as it was before 1924. If there is any need of an amendment I will consider the matter with the Minister of the Interior, but the amendment will have to be made to some other act. I really think section 1 should carry as it is.

Mr. BENNETT: The Minister of Justice has overlooked the fact that in 1924 this parliament brought the Eskimos under the provisions of the Indian Act, and thereby established the responsibility of a minister to the House of Commons for their affairs.

Mr. LAPOINTE: But that responsibility existed before that time.

Mr. BENNETT: Previously the Eskimos did not figure in the matter at all.

Mr. LAPOINTE: They were living in the Northwest Territories, surely?

Mr. BENNETT: Yes, but it was not until about 1924 that the very serious condition of their affairs was drawn to the attention of this parliament and of the people of Canada. As a matter of fact, these people were starving, and it became essential that they should receive some attention, as wards of the nation. It was thought desirable then that they should be brought under ministerial responsibility; that was done and the minister mentioned was the Superintendent General of Indian Affairs. As it now stands, we are repealing this section which the revisers of the statute put in the Indian Act, rightly or wrongly. They placed it as one of the subsections of an act dealing with Indians. We are now repealing that subsection and we have not made any head of government responsible to this parliament for the administration of the affairs of the Eskimos. If the amendment was properly made in 1924, presumably under the advice of my hon. friend, obviously its repeal with respect to the Superintendent General of Indian Affairs will necessitate the naming of some official in his place to assume that ministerial responsibility.

Mr. LAPOINTE: But not necessarily in this act.

Mr. BENNETT: If it were desirable to place it in this act in the one instance it might be equally desirable to replace it in this act.

Mr. LAPOINTE: This act relates only to the Department of Indian Affairs.

Mr. BENNETT: Quite so, but it does not relate any more to the Department of Indian Affairs to-day than it did in 1924, when parliament thought it desirable to place this amendment in the Indian Act. Now when you take away the responsibility of the Superintendent General of Indian Affairs, it would be logical to replace in the act the name of the official who is to assume responsibility. That is all.

Mr. LAPOINTE: But surely my hon. friend realizes that it would look ludicrous to mention some other minister in the Indian Act, with regard to Eskimos. I think if it is necessary to make an amendment it would be necessary to amend the Department of the Interior Act, for instance, or the Northwest Territories Act.

Mr. BENNETT: We have before us a real situation in connection with the breaking up of the Department of the Interior, if one might so call it, and one has to exercise considerable care, I suggest, in order to see that the duties which are being discharged with respect to the Northwest Territories are not placed in the hands of new officials, for the purpose of creating new offices or continuing old ones. I am quite content to have the minister deal with it as he desires, but there is no ministerial responsibility, as it now stands with the repeal of that section.

Mr. STEWART (Edmonton): I should think the amendment, if one is required, should be to the Northwest Territories Act, because the Eskimos will be under the provisions of that act.

Section agreed to.

Bill reported.

MANITOBA BOUNDARY

EXTENSION IN NORTHWEST ANGLE INLET OF LAKE OF THE WOODS

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of Bill No. 42, to provide for the extension of the boundary of the province of Manitoba in the northwest angle inlet of Lake of the Woods.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

Section 1 agreed to.

On section 2—boundaries extended.

Mr. GUTHRIE: Has the imperial government any interest in this block of land as ordnance land or otherwise, and will it be necessary for the imperial government to ratify this agreement?

Mr. STEWART (Edmonton): I would not think so. This two and a half acres is a plot of land covered by the indenture of the lake of the Woods where it crosses and recrosses the boundary between Manitoba and Ontario.

Mr. BENNETT: This land belonged formerly to the United States.

Mr. STEWART (Edmonton): It was supposed to, yes.

Mr. BENNETT: The surveyors finally indicated that it belonged to Canada.

Mr. STEWART (Edmonton): Quite right.

Mr. BENNETT: And as between Manitoba and Ontario it is to go to Manitoba?

Mr. LAPOINTE: Yes.

Mr. BENNETT: Will the statute require ratification?

Mr. LAPOINTE: I do not think so because it came to Canada by a treaty ratified by His Majesty the King.

Mr. BENNETT: The surveyors simply determined where the line should be.

Section agreed to.

Schedules A and B agreed to.

Bill reported, read the third time and passed.

SUPPLY—UNEMPLOYMENT

AMENDMENT OF MR. HEAPS TO MOTION FOR COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee of supply.

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, before Your Honour leaves the chair and the house resolves itself into committee of supply, I would like to discuss a question which I consider to be of the utmost importance, and one which should be brought to the attention of parliament. Since the house has been in session, many days have been spent in the discussion of question of importance. We have discussed questions pertaining to butter, to eggs, and to cheese, and while I would not for a moment try to belittle the importance of those matters, I do not think they can compare in importance to the subject I wish to bring to the attention of the house, namely, the unemployment and under-employment which exists at the present time in the Dominion of Canada. Important as this matter is, not a day has been devoted to the discussion of it since parliament met on February 20.

It may be said, and no doubt will be said during the course of this discussion, that this is not a federal question, that it belongs to the provinces and does not concern this House of Commons. But parliament cannot evade its responsibility to the people. If time can be spent in discussing the questions to which I have just referred, then I think we can spend a little time in discussing this important matter. We owe a duty to the men and women who happen to find themselves out of work. It may be said that we have no legal responsibility towards these people. I cannot admit that. I contend that if there is no legal responsibility there is not an hon. member of this house who will say that we have not a moral responsibility in the matter. It will possibly be claimed that the British North

America Act grants certain jurisdictions and creates certain lines of demarcation between the provincial and the federal governments. I am almost sick and tired of listening to definitions of the British North America Act. Every time a social question of importance is brought before this house the British North America Act is trotted out to show that we cannot do a certain thing. I am beginning to think that instead of calling it the B.N.A. act we should call it the B.A.N. act.

An hon. MEMBER: Explain.

Mr. HEAPS: As I have said on a previous occasion, the British North America Act was made for the people of the Dominion of Canada; the people of Canada were not made for the British North America Act.

Within the last few days this house has been very busy in making friendly gestures towards the people to the south of us. I have no objection whatever to friendly gestures being made to people in other parts of the world; in fact as a member of the Labour party I always try to cultivate kindly feelings between the people in different parts of the world. But if we can make friendly gestures which will cost the national exchequer of this country about $10,000,000 per year, then we can afford to make a friendly gesture to the unemployed people in the Dominion of Canada. My constituents are to a very large extent men or women who have to work for wages; if they do not work they cannot eat, and to them this question of unemployment is a very vital one. Am I to go back to my constituents at the end of this session and tell them that parliament sat by idly while they suffered? Am I to tell them that no action is to be taken with regard to this very important question of unemployment? Parliament could well afford to devote its time and energy to doing something for the people of this Dominion in order to alleviate the conditions which some unfortunately now find themselves in. I realize that the government have done something in regard to finding work. I am now accepting the statement made by the Prime Minister (Mr. Mackenzie King) to a delegation from the western provinces which waited upon him a few days ago when he said that the government was going ahead with public works as fast as it could and that the Canadian National Railways were doing the same—a few men being laid off but otherwise the work proceeding as if everything were normal. That, however, does not begin to touch the question of unemployment in the Dominion. The government have not dealt with unemployment in a direct sense; they have merely prevented it from getting worse than it is at the present time. I want to see parliament take some action that will deal with this question which arises year after year, because hardly a year goes by without this question of unemployment coming before parliament in one form or another.

The average workingman to-day is not the same as the workingman of twenty or thirty years ago. He is beginning to study; he is studying economics and when he is out of work he wants to know the reason why. That is a phase of the matter which we cannot lightly pass over. He sees that all around him are the material things of life. He himself has produced all the things that go towards making life worth while; but suddenly he finds himself out of work; he is face to face with poverty and in many cases does not know where his next meal is to come from. In parliament we protect practically all our industries, all our financial institutions, and the working people would like to know why we cannot give some protection to the workingman. When I use the term "protection" I do not use it in the sense of increased tariffs; I am using it in an entirely different sense. The workingman has the right to security in life in exactly the same way as we give security to capital.

Mr. IRVINE: How does the hon. member propose to do that?

Mr. HEAPS: I will come to that in a few moments if my hon. friend will permit me to continue my argument.

We give, for instance, protection to our railways; we almost guarantee them a certain fixed return on their capital. We give certain concessions to our banks. We give tariff protection to our industries, but what does parliament give to our working people? Practically nothing at all; and to-night as a representative of the working people of Canada I want to try to impress upon parliament the necessity of our doing something on their behalf.

Why, in the first place, is a person employed?—and now I am coming to the answer to some of the questions put by the hon member for Wetaskiwin (Mr. Irvine). A person is employed because his services are required in order that the employer may profit from his labour. If a man cannot be gainfully employed, his services are, generally speaking, not required. In periods of depression labour cannot be gainfully employed; hence we have the unemployment problem on our hands. We do not have unemployment periodically as we used to have it many years ago, but it is an ever-recurring problem year after year. Why is it a recurring problem? Years ago it was

claimed that cycles of depression would come once every five or seven years, but with the increasing use of machinery, with the speeding-up process to which labour has been subjected in recent years, production has increased by leaps and bounds and in a very short period during a year we can produce enough to satisfy all human requirements. When I say "enough to satisfy human requirements" I limit that statement by the qualification "in accordance with the purchasing power which the masses happen to possess". It is claimed by economists that during the past twenty years production has approximately doubled, but wages, that is, real wages, have remained almost stationary. That means that the position of the workingman has become relatively worse instead of better. When production becomes greater and greater, when we are able to produce more of the things of life, the position of the workingman should be better, but we find that it is exactly the reverse. At the present time, when we have an over-production of everything, we have the greatest poverty and want and what applies to the workingman applies equally at this time to our farmers. It requires to-day a smaller number of men to produce a given quantity of commodities and that is why less labour is required. As less labour is required, it is only natural that the amount of unemployment prevalent throughout the Dominion should become greater and greater.

In order to overcome the difficulty which confronts us on account of the ever-increasing productivity of the machine and the vast amount of unemployment that prevails in Canada as well as in other parts of the world, two things are required. One is a decreased working day and the other is an increased purchasing power on the part of the masses in order that they may consume more of the commodities which they themselves produce. Even if these two things come about, we shall still have quite an amount of unemployment in Canada.

These two questions cannot by any stretch of the imagination be claimed to be provincial in character. They are national; in fact, I can say they are international in character. Consequently it would be almost absurd for us to expect provincial governments to be able to deal with such questions and I can hardly expect nine provincial governments to deal with them. So far as I am able to judge, the provincial governments have all requested that the federal parliament take some action in regard to the matter. What action can we hope for?

I believe, in spite of its many drawbacks, in spite of its many handicaps, we shall ultimately have to come to a system of unemployment insurance. I cannot for the life of me see how any one particular province can of its own volition, inaugurate within its own boundaries a satisfactory system of unemployment insurance; it is practically impossible for them to do so. I wish, therefore, to deal with the question of unemployment insurance, not only from the aspect of the immediate problem itself, but also having regard to the impression that has gone throughout the country that parliament will do something along that particular line. In 1919 a federal commission was appointed by the then government. This commission had among its members many well known gentlemen, the chairman being the late Mr. Justice Mathers of the province of Manitoba. The commission travelled throughout the length and breadth of Canada, and after taking most voluminous evidence in all parts of the Dominion, it recommended the following:

> We recommend immediate inquiry by expert boards into the following subjects, with a view to early legislation:
> (a) State insurance against unemployment, sickness, invalidity and old age.

But ever since the year 1919 nothing has been done in a practical way to implement the recommendations of the royal commission of that year.

In the year 1924, we had hopes that something further was to be done. The Dominion government of that day had a large conference gathered from all parts of the Dominion, sitting at Ottawa, to discuss the question of unemployment. But when the conference had finished its labours nothing further was done.

I have referred earlier in my remarks to the question of interprovincial jurisdiction, and in this connection I should like, if I may, to refer to the platform of the Liberal party in the year 1921. I hope I shall be pardoned for making this reference, but I presume that the party in power to-day have not by any means changed their opinions since this platform was adopted. They issued in October 1921 a small booklet known as Publication No. 7. This is what they had to say in regard to social insurance:

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

effort should be made to overcome any question of jurisdiction between the Dominion and the provinces by effective cooperation between the several governments.

I heartily subscribe, Mr. Speaker, to that particular clause of the Liberal party platform of 1921.

Mr. MacNUTT: That was only a chart.

Mr. HEAPS: I am coming in a moment to the Conservative chart. I sincerely hope that the government have not gone back on their platform of that year, and that on this question of unemployment insurance they will earnestly endeavour to overcome any difficulty over jurisdiction as between the provinces and the Dominion.

In order to make things even as between the two major parties in this house, I wish to quote from the labour policy adopted by the Conservative party in the city of Winnipeg in November, 1927. I do not know whether it was the environment and bracing air of the city of Winnipeg that impelled our friends of the Conservative party to include this particular clause in their platform. Nevertheless, I am glad to see it there, and I hope that they will stay with it to the bitter end. Section 9 of that platform, dealing with capital and labour, says:

So far as is practicable, to support social legislation designed to conserve human life, health and temperance, to relieve distress during periods of unemployment, sickness and old age; to encourage uniformity in labour laws throughout Canada and the wider spread of technical education, both in industry and agriculture.

Mr. GARLAND (Bow River): "So far as is practicable."

Mr. HEAPS: So far as that little proviso is concerned, it would not be very difficult to overcome the problem of jurisdiction as between the provinces and the Dominion. I feel satisfied if the two major parties would only attempt to solve this question of jurisdiction it could be solved just as easily as it was in the case of old age pensions. I am sure that exactly the same jurisdiction problem could arise and would have arisen, if anybody had wanted to raise it, in regard to old age pensions. But where there was a will there was a way; the jurisdiction difficulty was overcome, and at the present time, according to the Minister of Labour (Mr. Heenan) there are 34,000 aged people in this Dominion drawing the old age pension—This in spite of all jurisdiction difficulties.

The question of unemployment insurance has been raised year after year ever since I have been in this house. This is my fifth session in parliament. In the very first session that I was here my hon. friend and colleague from Winnipeg North Centre (Mr. Woodsworth) and I wrote a letter to the present Prime Minister and to the then leader of the opposition. I show you, Mr. Speaker, that the unemployment situation was even then, a very serious one, my colleague and I stressed it as being one of the most important questions with which we thought parliament had to deal. We addressed a very short communication to the two leaders under date of January 7, 1926, as follows:

As representatives of Labour in the House of Commons, may we ask whether it is your intention to introduce, at this session, legislation with regard to (a) provision for the unemployed; (b) old age pensions.

(Signed) J. S. Woodsworth.
A. A. Heaps.

From the right hon. Prime Minister we received a very sympathetic reply, and not many days later, on January 28, 1926, the present Minister of Justice (Mr. Lapointe) had this to say in the House of Commons, in answer to a question from my hon. friend from Comox-Alberni (Mr. Neill):

This question of unemployment relief is a difficult one in this country owing to the fact that we have a division of powers between federal, provincial and municipal authorities. It has been felt that the problem primarily is one of local responsibility, but the government is willing in case of serious emergency, when a grave situation exists, to cooperate with the provincial and local authorities, and to bear a share of relief work or other relief measures which have to be adopted to meet a serious situation of that character, and we shall ask parliament to give us authority to that effect.

That was in 1926. If there was a grave emergency as regards unemployment in the early part of the winter of 1926, the emergency in 1930 is a great deal more grave than it was four years ago; and if the emergency of 1926 prompted the federal government to give assistance to the municipal bodies and provincial governments, there is a thousand times more reason for giving that assistance to-day. I think I am correctly interpreting the intentions of the government as then expressed when I say that this was only a temporary measure of relief, looking forward to a more definite scheme dealing with the whole question of unemployment.

Mr. ERNST: May I ask how many unemployed there are in the city of Winnipeg to-day, and how many are on part time?

Mr. HEAPS: It is almost impossible for me to say definitely how many people in Winnipeg are at present out of work or only partly employed. The figures vary—some say ten thousand; some say more. According to

statements that I have heard made by people who are competent to judge, ten thousand would not be exaggerating the situation so far as Winnipeg and its immediate surburbs are concerned.

Further, Mr. Speaker, in 1927 I introduced a motion for a committee to go into the question of unemployment insurance. Unfortunately some of my hon. friends opposite were very talkative on that occasion, and the discussion was not concluded at six o'clock, so that the motion went to the bottom of the order paper and could not again be discussed during that session. But in 1928 we had a committee appointed by this house to deal with the question of unemployment insurance. What did that committee report? I am going to read just one clause:

> That the evidence of the justice department makes it clear that the responsibility for such legislation rests on the provincial authorities, it being within their jurisdiction under the provisions of the British North America Act, but that it would be within the power of parliament to contribute by grant to such provinces as adopted such legislation, following the precedent set in the matter of technical education, highway construction, and, more recently the Old Age Pensions Act.

In other words, when the committee reported in 1928 it claimed that parliament was competent to make grants to any system of unemployment insurance in exactly the same way as at the present time we make grants to the system of old age pensions adopted by many of the provinces.

But we come to 1929, last year, when again the same resolution was submitted to the committee on industrial and international relations. Their report considerably whittled down the report of the year previous. Let me quote this paragraph:

> Your committee recognizes that, while it is highly desirable that such legislation should be uniform in all the provinces, and while social insurance has a federal aspect, nevertheless according to the Department of Justice under our constitution legislative jurisdiction in relation to the establishment of a compulsory system of unemployment insurance is vested exclusively in the provincial legislatures.

Not a word about the right of this parliament to make grants to the provincial governments in order to assist the establishment of unemployment insurance in the Dominion. The report also contained the following:

> That the federal government be requested to bring the subject matter of this reference before the next federal-provincial conference, and your committee suggests when the agenda for such a conference is being arranged that the provincial governments be invited to send representatives of the employer and employee to discuss the subject matter of this report.

Now, Mr. Speaker, any ordinary person reading that section of the report would be under the impression that it was the intention of parliament to do something in regard to the question of unemployment insurance and in some way give relief to persons who happen to be out of work.

During last winter two conferences were called in Winnipeg to deal with the question of unemployment in western Canada. One conference was called in November, and the other in January. As a result of those conferences a delegation came from western Canada to Ottawa and interviewed the government. In a statement which the right hon. Prime Minister made to this delegation the impression was broadcast that the government was sympathetic and willing to do something to speed forward unemployment insurance. This is what he is reported to have said according to the Ottawa Evening Citizen of February 27:

> Eventually Canada will have a system of unemployment insurance. This was the only constructive way to deal with the unemployment situation and he hoped it would soon be possible to work out an insurance plan. Seasonal measures in the way of relief and public works were of no permanent assistance and an insurance plan offered the only constructive way of avoiding distress. Under it those who employed them would be compelled to contribute to a fund during their periods of employment and the insured would receive benefits when out of work.

A statement of this character, Mr. Speaker, would give an impression particularly to the working people of Canada, that the government had it in mind to deal with this question, which we regard as one of the most vital confronting the Dominion at the present time. A few days later my hon. friend from Winnipeg North Centre asked a question of the right hon. Prime Minister in relation to his statement made to the delegation, and in his answer he seemed to some extent to retract —if I may use the term—something of what he had said a few days previously. I quote the question and answer:

> Mr. Woodsworth: As I understand the statement, it was to the effect that the federal government was very much concerned in the matters of unemployment and believed that one of the solutions was a system of unemployment insurance, and that the government would be willing to take any steps possible towards bringing about an understanding between the provinces and the federal government. I want to know if the government would be willing to undertake the calling of a special conference so that this matter can be expedited.
>
> Mr. Mackenzie King: My recollection is that a special committee of this house considered this question last session and brought to the house a report to the effect that unemployment

insurance was necessarily a matter with which provincial governments rather than the federal government would have to deal. I think I expressed the view yesterday that in my opinion a system of unemployment insurance would be a constructive way to deal with the unemployment problem, to which system not only the employer and the governments concerned would contribute, but the worker also. If the provinces make a move in this matter and it appears that the federal government can be of assistance in helping to bring about uniformity as between the provinces of any plan proposed, or can cooperate in other ways in any discussion on the subject, we shall be glad upon invitation to take the matter under consideration.

Now, Mr. Speaker, I do not think this statement of the Prime Minister went far enough; it contained too many reservations. First of all, he states that he is prepared to discuss this question with the provinces on an invitation from them. I claim, sir, that it should be the duty of the federal government to bring about a conference with the provincial governments. He cannot expect nine provincial governments to call the federal government into consultation. I think it would be far easier and would show more sympathetic consideration on the part of the government if they themselves called the nine provincial governments into conference to discuss the question. He also said that this is primarily a provincial question. I have always refused to admit that, and I claim the federal government have just as much responsibility in respect to this question as any of our provincial governments, in fact their responsibility is greater.

Now I want to go a little further and come to a statement made more recently. I turn to my good friend the Minister of Labour (Mr. Heenan). On the 14th day of March he made a speech in the city of London, Ontario, and evidently it was a very good speech. I want to thank him for it, because on asking a question of him a couple of days subsequently he told me to read the London Advertiser and he would stand behind everything he said on that particular occasion as there reported. In compliance with the invitation extended to me by the Minister of Labour, I am going to read extracts from his London speech. Evidently the people of London thought it was a very good one, and I shall read what the London Advertiser thought of it. In its columns I find the following:

Mr. Heenan, in a powerful address full of practical illustrations drawn from his daily contact with the problems of the worker and spiced with wit and humour, held the attention of an enthusiastic audience.

[Mr. Heaps.]

In that moment of exuberance, and with the enthusiastic backing of an audience of workers in the city of London, he spoke thus:

I believe during the times of depression the workers have some claim to a portion of the profits made by their labour during favourable years.

An hon. MEMBER: What is that statement?

Mr. HEAPS: Yes, that is what appears here.

In a word, I believe, as the Prime Minister stated in his book entitled Industry and Humanity, "where the interests of industry and humanity conflict, industry must give way."

I quite agree with the statements of the Prime Minister and the Minister of Labour.

To continue with the quotations:

So I believe that the time has come when the employers and the workers, and if necessary the governments, should contribute to a fund in order to provide insurance against unemployment.

I feel when the Minister of Labour made that statement to the working people of the city of London he had in mind the federal government, as well as the provincial government. The quotation further states:

A system could be inaugurated in this country which would be suitable to Canadian needs.

Remember, he says "Canadian needs," not provincial needs.

Take, for example, our Canadian railroad workers; in the summer time there are upwards of two hundred thousand men employed, and during the winter periods there are about twenty-five thousand of those workers laid off for several months. The wages of all railwaymen average about $130 per month.

I must say that I do not agree with that statement. According to my information, and from reading an examination of the figures furnished by our Labour department and the bureau of statistics I find that the average wage paid by railroads in this country, from the highest to the lowest, is about 55 or 56 cents per hour. Further, I know cases in the city of Winnipeg where railwaymen have kept a check of the higher scaled trades, such as machinists, and they tell me the average monthly pay was $113. When you consider that there are men working on the railroad for 35 or 45 cents an hour, you will realize that there must be vast numbers whose average wage is not over $15 a week. However, I shall read further:

This would not be too hard on either and if necessary, the governments could assist.

I agree with him in this respect. His next statement is:

This system could be extended to workers in every industry and would provide a permanent system.

I agree with that. Unemployment insurance would provide a permanent system whereby men who happened to be out of work would not have to go begging. They would have an insurance fund to fall back upon, the same as exists in other parts of the world. At this juncture I want to point out that although it would be better for the unemployed, a system of unemployment insurance will not cure the problems of unemployment. The minister continued:

The workers of Canada are entitled to a permanent system. The House of Commons unanimously has already endorsed such a system. Parliament has also declared it is a provincial matter, and the government has taken the matter up with the provinces, but notwithstanding the fact that it is a provincial obligation the Prime Minister has stated that if the provinces so desire his government is prepared to cooperate with them in establishing a uniform system.

The last statement is rather significant, and in my view very important. I am in favour of uniform legislation when it comes down to social questions. I do not believe the people of one province should be treated better or worse than the people of a neighbouring province. It is so in the case of the Old Age Pensions Act. This parliament was anxious to have uniform legislation, and so far as uniformity is concerned I do not think anybody would agree to repeal that legislation.

Mr. SPEAKER: May I ask the hon. gentleman whether he intends to conclude his remarks by moving an amendment?

Mr. HEAPS: Yes, I intend to move an amendment in a few minutes. The Minister of Labour went on to say:

As far as I am concerned, I will make every effort and the Prime Minister will back me up to see that the labouring man who is out of work for any period of the year will have a right to expect and to receive a share of the profits he helped to make.

I believe when the Minister of Labour made this statement to the people of the city of London, Ontario, he had in mind that the federal parliament would compel employers of labour to contribute something out of their profits towards an unemployment insurance scheme. In the speech to which the Minister of Labour directed my attention there is no place in which he states that it is entirely a provincial matter or that the federal government would not assume its responsibility with regard to it. If I am to make an exact interpretation of the minister's speech I would say it meant that the federal government was prepared to proceed with a scheme of federal unemployment insurance. Not only that, but it would indicate that the federal government would see to it that the scheme was uniform throughout the length and breadth of Canada. Uniformity of this character is absolutely essential in a plan involving unemployment insurance, just as it is in the case of old age pensions. It would be impossible to have a system of unemployment insurance confined to any particular province; such a system would have to be operative in at least five of the provinces before it could become workable in Canada.

I do not wish to say much more, Mr. Speaker, in regard to what has been said out of the house by members of the government. I would like to make one or two comments, however, in regard to parliament itself. We have been discussing questions in this house for the past five or six weeks which touch only a very small proportion of the people of this country. There is no question which affects Canadians so vitally as does that of unemployment and under employment. In this country at the present time I would say there must be one hundred thousand people suffering from the effects of these two conditions. Let each man who is unemployed be said to represent three people, we have a total of three hundred thousand people who are suffering, three hundred thousand people who want to know what parliament intend to do in connection wth this very important question.

There is another problem involved in this matter of unemployment insurance. To-day a man's security in his employment is not nearly what it was fifteen or twenty years ago. He never knows when some new invention or some new piece of machinery will be brought into the factory to take his place. I venture to say that if a proper census could be taken of the turnover of labour in industry it would show a greater number than we realize at the present time. I know figures have been presented in this house to show that more people are employed in industry now than were employed five or six years ago, but even those figures do not present an actual picture of the state of affairs. What I should like to know is how many hours people have been employed in industry over a given period. There we might find a different story. I believe the index figure for March 1 was about 106; there was a considerable reduction from February 1. It may be possible to show that that figure of 106 compares favourably with the figure of perhaps 95 ten years ago, but it might be shown also that the 95 figure means more hours than the 106. Our bureau

of statistics does not give us any data on that important feature of our employment situation in Canada. For instance, we know that in the railroad shops and in many other subsidiary industries men were laid off not by hundreds but by thousands, yet these men were part of those employed during 1929 and perhaps part of those employed during 1930. The result is that although the index number is higher, not knowing the number of hours these men worked during the year we cannot get an accurate picture of the situation.

The federal government, in conjunction with the provincial governments, spent a great deal of money in collecting these statistics, yet we have no way of finding out how may men are out of employment in Canada. We have some idea of how many men are employed, but there are no figures to show how many men are unemployed. One of the officials of the Department of Labour has said that when there is the greatest number of men out of work there are the fewest registrations with the employment bureaus or, as I sometimes call them, the unemployment bureaus. That is so because the men claim there is no use going to these places because there is no work for them. So we have no means of knowing how great our unemployment problem may be, except from the relief which is extended by our municipal authorities, and if we gauge the unemployment situation this year by the relief extended by our municipal and provincial authorities it will be seen that this is one of the worst unemployment years we have had in this Dominion for twenty years past.

This is not a problem which comes occasionally, perhaps once every ten or fifteen years. It is an annual problem, and I feel that this house will be derelict in its duty if we do not take some definite action in order to deal with what is obviously a great national question. The Minister of Justice stated that a nemergency existed in the year 1926. If that was so, the emergency is very much greater this year, and the problem of unemployment should not be passed over in this house year after year. Hon. members should not be required to get up in their places and ask the Prime Minister or the Minister of Labour what they intend doing about the unemployment situation, only to be told that it is a provincial problem. It is my contention, Mr. Speaker, that a problem which affects the well-being of the people of this country is a federal problem. If pigs or cattle in any province of this Dominion became sick, our Department of Agriculture would send expert after expert and spend federal money freely in order to find out the cause and cure of that illness, but when we have human beings suffering, we are told it is not a federal question. I should like to know how long a human being has not been considered an equally valuable asset as a cow or a pig.

Mr. BRADY: I should like to ask the hon. member one question if I may. What countries have social insurance legislation at present?

Mr. HEAPS: It would take a long time to enumerate them all, but I might point out that South Africa was one of the last dominions to adopt legislation of this kind. In 1926 the government of South Africa appointed a commission to inquire into the question of social insurance, and that commission reported in favour of old age pensions, sickness, invalidity and unemployment insurance. All those recommendations were adopted with the exception of unemployment insurance, and if I am not mistaken the recommendation dealing with unemployment insurance was one of the last parts of that report to be adopted as a federal measure. I believe that in Australia they have had similar insurance as a provincial measure, but now in that country they are considering bringing in a federal measure in order to do away with the question of provincial jurisdiction. When a dominion such as South Africa, sparsely populated and with conditions very much akin to those existing here—and the same could be said with regard to Australia—has adopted insurance of this kind as a federal measure, there is no reason in the world why this federal parliament should not follow such a lead.

In Europe most countries have schemes of this character. Great Britain has had unemployment insurance since 1911, and although different commissions have inquired into the question of this insurance, the last being the Blanesburgh commission, whose report was published in 1925, they have all found in favour of social insurances. The last report stated in effect that social insurance had become an integral part of the social structure of the British Isles. Why Canada should be more backward than the other parts of the British Empire is something I do not know. If every other part of this commonwealth of nations has adopted social insurance generally as a federal responsibility, there is no reason why this parliament should not do the same thing through this federal government, just as we did with regard to old age pensions.

I said at the outset, Mr. Speaker, that the working people of this country were beginning to study these problems; they are trying to understand these economic questions and are taking an interest in the activities of both

federal and provincial parliaments. To them unemployment is the important question. When we go back to our constituents they say to us, "What have you done as a member of parliament on the question of the unemployment situation?" The reply will be: "We have not done anything, because some question of interprovincial jurisdiction has arisen and it is contended that is not our sphere." They will go then to the provincial member, who will say, "We have discussed this question in the provincial legislature and we think the federal government should assume responsibility for this matter because it is federal in character." There we have the passing of the buck as between one government and another. What will the average workingman have to say? We have a responsibility in this regard and if we do not desire to bring parliament and democratic government into disrepute, this parliament should act in the interests of the common people. Can any hon. member go back to his constituency and face his electors and honestly say that because of some question of jurisdiction parliament refuses to assume responsibility?

We hope that when the hon. Minister of Labour and the right hon. the Prime Minister take part in this debate they will measure up to their responsibilities and not be afraid to say that parliament owes a certain duty to the people of the Dominion of Canada. I hope that the hundreds of thousands of people who are looking towards this House of Commons will not be disappointed in the discussion which is to follow and can look forward to some action by the ministers of the crown.

For these reasons, I beg to move, seconded by the hon. member for Bow River (Mr. Garland):

> That all the words after "that" be struck out, and the following be substituted:
> "in the opinion of this house the government should take immediate action to deal with the question of unemployment."

Mr. H. B. ADSHEAD (East Calgary): Mr. Speaker, I think it devolves upon all Labour members of the house to take part in the discussion of a question of this kind. First of all, I wish to comment somewhat along the lines adopted by the hon. member who has just moved this resolution (Mr. Heaps), when he quoted the remarks of the Minister of Labour (Mr. Heenan) in a speech delivered at London. The minister was not giving utterance to a mere pious wish or sentiment when he said:

> I will utilize my every effort and the premier will back me up to see that the labouring man who is out of work for any period of the year will have a right to expect and to receive a share of the profits he helped make.

That was the statement of a responsible minister of this country—that the government would do something along the line of unemployment insurance. It cannot be regarded as a personal wish or personal statement of a minister of the crown when he said that the Prime Minister himself was with him in the matter. The Minister of Labour has made no denial or rebuttal of that statement, and so we can regard it as being correct. He went on to say:

> The workers who are unemployed—

Not only does he go on to say this himself, but he is speaking for the government and it is responsible for his statement. He said:

> The workers who are unemployed for perhaps two or three months of the year constituted an essential unit in the industrial life of the nation for the remaining period and the country should recognize their rights.

He went on to say:

> Those who oppose progress and social legislation of any kind will call it the dole. It is not that. It is a measure of protection to which the workers are entitled.

The Minister of Labour laid out a course which was to be followed by the government, and the Prime Minister has given his assent. I hope that the minister and the Prime Minister will have something to say in this debate, and relieve the house of any doubt it may have as to what the minister said.

At times I have been twitted in this house, especially by my hon. friends to my right, of being more liberal in my practices than I should be; in fact the hon. member for Parkdale (Mr. Spence) said the other day that I should be on the other side of the house. I have great pleasure in referring to some of the Liberal principles which were enunciated in 1919, and which should revive the drooping spirits of those Liberals who remained true to Liberalism. I suppose there are a few who still stand by the principles enunciated in that year when they were in opposition. There is an old saying:

> When the devil was sick, the devil a saint would be,
> But when the devil was well, the devil a bit cared he.

I have no desire to apply that principle to my hon. friends across the house, but when parties are out of office they are very apt to make some very fine declarations and state-

ments to catch the ear of the country and after they have been in power for some time they appear to forget them. Many things said in conventions are forgotten in the house. I would like to quote a few things said at that memorable convention in 1919, made memorable by the fact that the Prime Minister made some very nice speeches and presented some excellent resolutions. Speaking to the question of labour, the Prime Minister made this statement:

> The guiding principle that labour should not be regarded as a commodity or article of commerce—

That is, that labour is not a thing to be bought and sold, that it is something more than a commodity. That was the first statement of my hon. friend the Prime Minister, and then he went on to state the various proposals which the Liberal party were going to bring into effect after they assumed the reins of office. The Prime Minister went on to say:

> That in so far as may be practicable, having regard for Canada's financial position, an adequate system of insurance against unemployment,—

That is the very thing the hon. member for North Winnipeg (Mr. Heaps) was talking about, and is the very thing about which the minister spoke in the city of London. Some ten years save elapsed since these words were uttered by the Prime Minister:

> —sickness, dependence in old age, and other disability, which would include old age pensions, widows' pensions, and maternity benefits, should be instituted by the federal government in conjunction with the governments of the several provinces;—

I would like my hon. friends on the other side of the house to notice particularly that when the Prime Minister was speaking in 1919 he did not seem to have any idea that difficulty would be met in getting over the British North America Act. He went on to say:

> —and that on matters pertaining to industrial and social legislation an effort should be made to overcome any question of jurisdiction between the Dominion and the provinces by effective cooperation between the several governments.

At that time the Prime Minister seemed to think that any obstacle offered by the British North America Act to social legislation could be very easily overcome.

Mr. IRVINE: Do I understand the hon. member to say that the Prime Minister declared in 1919 that labour was not a commodity to be sold on the market?

[Mr. Adshead.]

Mr. ADSHEAD: I am simply quoting what the Prime Minister said, that labour should not be regarded as a commodity or as an article of commerce.

Mr. IRVINE: It cannot be said that labour is a commodity on the market.

Mr. ADSHEAD: I suppose they are going to take such steps as will make it not a commodity.

Mr. IRVINE: Have those steps been taken?

Mr. ADSHEAD: The hon. member had better ask the Prime Minister. Let me quote something further. Speaking to these excellent resolutions which were introduced, the Prime Minister said:

> The Liberal party of Canada, in accepting this program in its entirety to-night, is taking a position which, in the course of time, will be regarded as historic; it is declaring itself the first political party in any country in the world to accept this program, and to ask its followers to join with other nations in carrying it out.

That was ten years ago.

> Not only does the resolution recognize that the labour problem is a world problem.

I want to commend that statement to my hon. friends on the other side. It is not a provincial problem; it is not even solely a national problem; it is according to the Prime Minister, a world problem. He goes on:

> It recognizes also that the labour problem is a human problem. The resolution is based on the assumption that human personality is more important than any considerations of property. It is founded on the belief that ethical and human considerations ought to stand above considerations which are purely business or material.

Then follows a very expressive sentence which I wish we could live up to more fully:

> It is an expresion of the belief—

That was the Prime Minister's belief and I hope it is still.

> —that industry exists for the sake of humanity, not humanity for the sake of industry.

I might quote a good deal more in that connection, but I think I have given enough to show the point of view from which my friends of the Liberal party and the Prime Minister were looking at the matter of unemployment insurance and many other pieces of social legislation which he proposed to introduce when the party got into power. Of that social legislation all we have is the old age pension, which was obtained after a good deal of struggle. I hope what I have said to-night will help to revive the memories of those pious declarations.

In connection with the question of unemployment itself, as early as December last I wired to the Prime Minister as follows:

Unemployment here acute but most certainly it is right and just that federal government should bear cost of unemployed destitute immigrants of 1929 brought out by Immigration department. I have asked this for three years.

And then, referring to the conditions in the city of Calgary at that particular time, I said:

Churches fed 275 at dinner to-day, not all immigrants. Those immigrants awaiting deportation should be speedily dealt with but cost of their maintenance should not be borne by city or private people.

Unemployment in Calgary was acute at that particular time, and I received a letter to-day stating that the unemployment situation there at present is serious. To show how acute unemployment was at that time and is even now, I may say that the men who were fed were not the only ones out of employment, but they were men who were actually starving, who had nothing to eat and nowhere to lie. The first persons who took the matter up were the ladies of the Labour party in Calgary, and they fed 200 men. The next who took it up were the women of the Conservative League of the city of Calgary who undertook for a week to feed 300 men. The number had begun to increase. After they had done this for a week, the ladies of the Liberal League took it up and they fed these 300 men for another week. Finally the matter became so acute that the churches took it up.

Mr. IRVINE: Did they all give it up?

Mr. ADSHEAD: I do not know. They carried on the work at least as far as their finances would permit, and the question became so serious that they asked me to wire not only the Prime Minister but the Immigration department and the Labour department. I think the Minister of Labour received a telegram pointing out the seriousness of the unemployment situation in Calgary at that particular time. So far did the question of unemployment and destitution go that our good policemen in the station of the Canadian Pacific allowed these men as far as they could to sleep in the smoking room and about the station until such time as they were compelled to turn them out into the cold. Then, with the thermometer at twenty below zero, the men went into the streets with their coat collars turned up and got into any niche in which they could to find shelter for the night. Even a minister of that city telephoned to me saying: "I am sending some men up to you. I have kept them as long as I could. I have allowed them to sleep in the study of my church, and now as you are member for East Calgary, I am going to send them to you to see what you can do." Being member for East Calgary I did what I could. The citizens of Calgary have had to bear a burden which rightfully belongs to the federal government and perhaps to the provincial government.

I notice the following in the press, and I should like to ask the Minister of Labour whether he is acquainted with this fact, if it is a fact:

Ottawa, January 20.—Immigration to Canada of continentals of south and southeastern Europe, that is to say of single men, will be limited this year to 8,000.

An arrangement has been made allocating 4,000 of these each to Canadian Pacific and Canadian National.

I want to know whether this is intended to increase unemployment, or where these 8,000 men are going. My experience has been that upon arriving in the city of Calgary after the prorogation of parliament, I have found a large number of these men taking work right in the city and swelling the number of the unemployed. I can give some statements in this regard. Last year, I think it was, I was standing on the street and I saw a number of men, evidently foreigners—or at least men who could not speak the English language; I do not know whether or not all men who cannot speak English are foreigners. I wondered what they were talking about. They were close to the employment bureau and apparently one of them could speak English. I went over and asked them what the trouble was. These men were recent immigrants, brought into Alberta by the railway companies under conditions which I have just read. We were told by the then Acting Minister of Immigration that there were ploughs and teams waiting for every man who came in; that they were all going to work on the farms and that none of them would work in the cities. He assured me time and again that conditions of employment in the cities would not be in the least affected by the thousands of men who were brought in. I took these men into the Dominion Labour Bureau and took with me a copy, sworn to as to its accuracy, of the document they were reading. They had been under the impression—and the document bore it out—that they were to be engaged by the Canadian Pacific Railway Company for at least two months to work on the extra gangs there at thirty cents an hour. In order that the railway company might be quite sure of its position, it got each man to

sign this document, which I will read; because they could not understand how it was that after being engaged for two months they were all discharged after working for three weeks, and another bunch were hired to work on the extra gang. This is the document:

Contract to work made by the undersigned with the Canadian Pacific Railway Company.
Particulars as to work:

(a) Capacity in which engaged.—Extra gang.
(b) Locality.—Beddington.
(c) Rate of wages of actual work.—30 cents per hour.
(d) Board.—$6 per week.
(e) Transportation.—Free one way.
(f) Deductions—medical fee.—$1.50 a month.
(g) Duration of work.—Two months.

That was the item which these immigrants could not understand. They could not realize why they should not have two months' work when the document stated two months. But there was a little joker in the deck, as there generally is with labour contracts of that sort. It goes on to say:

1. I declare that I am competent to work in the capacity described above, and if not found competent by the foreman in charge I agree to accept such work as such foreman finds me capable of, at the ruling rate of wages of the company for such work, in the locality mentioned above.
2. I agree to work for a period of not less than the probable duration of work as set out above (two months).

Now comes the joker. These men were foreigners who did not understand and could not speak the English language. Here is the joker clause:

I agree that no notice of termination of my engagement shall be required to be given by the company.

So they agree to work for two months, if required, and if the company does not want them, they can discharge them at any time. After three weeks' work these men were discharged and helped to swell the ranks of the unemployed in the city of Calgary. Further, I want to draw attention to the binding nature of this agreement and to the penalties that were to be exacted if the men did not live up to it. The following clause was added, and no doubt was very fully explained to the men who were engaged:

Extract from the ordinance respecting master and servants, section 2:

"Any person engaged, bound or hired whether as clerk, journeyman apprentice, servant, labourer or otherwise howsoever guilty of drunkenness or of absenting himself day or night without leave from his proper service or employment or of refusing or neglecting to perform his just duties or to obey the lawful commands of his master or of dissipating his employer's property or effects, shall be deemed guilty of a violation of his contract, and upon summary conviction of one or more of the said violations forfeit and pay such sum of money not exceeding $30 as to the justice or magistrate seems meet, together with the costs of the prosecution; and in default thereof forthwith shall be imprisoned for any period not exceeding one month unless the fine imposed and costs, together with the costs of commitment and conveying such person to the place of imprisonment, be sooner paid."

Mr. IRVINE: Why not crucify them at once?

Mr. ADSHEAD: No doubt. I am quoting from a sworn copy of the agreement, and it was no doubt impressed on these men that if they did not work for the full two months, if required, they would be liable to fine or imprisonment. But the company had the right to discharge them at any time they liked. So I ask the Minister of Labour: What are the conditions under which these eight thousand men are coming out to Canada this spring? According to the notice, they start to come about first of March. Are these immigrants, the bringing in of whom by the railways has been sanctioned by the government, going to work on the farm? Are they going where the government supposes they will go, or will their cases be just a repetition of those I have just cited? As soon as I go back to Calgary shall I find these men engaged in work at far less wages than the average worker will accept, thus aggravating the unemployment situation?

I want to give further proof of my statement that when these men come in with a guarantee that they are going to work on the farm, the government, or the Immigration department, which is the same thing, do not know where they are going. Unless some complaint is made, unless somebody draws attention to the fact that these men are not where they should be, the department takes no steps to see that they go where they are supposed to go. I have in my hand a letter that confirms exactly what I have said. Here was a man who was brought out to work on a farm. He signed to go on a farm, the same way that all these men I have spoken of signed to go on a farm. But he never left the city of Calgary, and the Immigration department knew nothing at all about his whereabouts or what he was doing until his case was brought to their attention. This man also helped to swell the ranks of the unemployed. I wrote to the department with a view to getting him deported, after he had been in the city of Calgary for two years. I wish to read the reply I got, and it shows conclusively that the department did not

know where this man was or what he was doing, although he had been brought out to go on a farm. The department said:

Our records show that this man came to Canada to work on the farm. Our records show further that he was brought up on a farm, is fully experienced, and was accompanied to Canada by his wife, a twenty-one year old son, a fifteen year old son, and two smaller children. The two older boys were said to be experienced at farm work. There is no reason at all why this man and his family should not by now have become well on the way to a successful settlement on the land.

Certainly if he had been on the farm for two years, and had had previous experience in farming, there should be no reason why he should not be well settled on the land at the end of that time. The letter continues:

But I take it from your letter that he has been at city work and presumably has not made any effort along agricultural lines. However, we will deal with the case.

Four or five weeks later that man was deported. He had been maintained at the city's expense. What I want to bring out is the fact that that man came out with his wife and family to farm. The department knew that he came out to farm, and stated that he would be placed on a farm, but after having made that statement they knew nothing whatever of his whereabouts or what he was doing until I wrote to them that he had been in the city of Calgary for two years, and asked to have him deported because he was useless and was adding to the ranks of the unemployed.

Mr. COOTE: What country did he come from?

Mr. ADSHEAD: I think he came from the old country. His name was John Kidd.

There is another complaint which I have in connection with the unemployment situation, although I understand that the government are not going to grant any more assisted passages. In the past these assisted immigrants have helped to swell the ranks of the unemployed. They come out here supposedly to go on the farms, but they finally land up in the cities. I have a list here of twenty men, farm immigrants, who in the months of December came into the city of Calgary. Some of them got jobs, others tried to get jobs; others joined the ranks of the unemployed and had to get relief from the city. In order to have some of these men deported I asked the city authorities to give them city relief for a week because the Immigration department absolutely refuse to consider deporting these men until they become a public charge. So we had to resort to that expedient before I could apply to the Immigration department to have them deported. In the meantime, of course, they were swelling the ranks of the unemployed, while others of them were taking work that Canadians resident in the city should have had. I wrote to the Immigration department, and also wired to the Prime Minister to the same effect, asking that some recompense be made to the city and to those who had maintained these men for periods varying from a week to six weeks and two months, and I got this standard reply from the department. It is a peculiar reply, and I would like the Minister of Labour to take note of it. We asked the department to reimburse us the cost of looking after these men whom we were not instrumental in bringing to this country, but the department denied all responsibility. We had to expend several thousand dollars on relief measures. To every such request this is the stock answer we get. It would be humourous but for the tragic circumstances. This is the stereotyped reply:

I venture to suggest that the amount of money spent by the city of Calgary in a few cases—

That is, these numerous immigrants.

—is comparatively small, and further that the same is infinitesimal as compared with the benefit which your city must derive from these immigrants who locate within its borders.

The benefit which we have received from these trainees, these men who came out to farm but eventually landed in our city and finally had to be deported!

Mr. GARLAND (Bow River): Who signed that letter?

Mr. ADSHEAD: That is signed by F. C. Blair, and is dated December 29, last year. I said it was a stock answer, and this is confirmed by another letter which I received. In fact one would imagine that the form was typed and pasted on the wall for use whenever a request is received by the department from a municipality for reimbursement of money spent on stranded immigrants. The other letter is signed by Mr. Egan. Let me quote it:

I venture to suggest—

The same wording precisely.

—that the amount of money spent by the city of Calgary in a few such cases is comparatively small, and further that the same is infinitesimal as compared with the benefit which your city must derive from these immigrants who locate within its borders.

Both Mr. Egan and Mr. Blair use the same stereotype form.

I thoroughly agree with the statement of my right hon. friend the Prime Minister that humanity does not exist for industry, but that industry exists for the sake of humanity; that

the human element is the most important. He took the human side of the question. But it is just the lack of that human side which causes the trouble we have in connection with unemployment. For instance, in the city of Calgary last year—and this is typical of many such cases throughout the Dominion—the Canadian Pacific Railway Company without a moment's notice, without any consideration for their employees, without any consultation with them, discharged them, and those men are still in the city of Calgary without employment and in distress. Now, in view of this and similar cases I ask the Prime Minister, what does he think about labour not being a commodity when great corporations are allowed to discharge their men because they know that in the spring they can get a fresh supply? Those very corporations take excellent care of their machines, simply because they regard them as far more valuable than their workmen.

I submit, sir, that it is the duty of the government to implement their promises made in the platform of 1919, even though nine years have elapsed since that platform was published to the Dominion. I trust the Minister of Labour will put his best foot forward to have those promises implemented. Indeed, I think it is up to the government to state to the house how they intend to give effect to the speech made by my hon. friend the Minister of Labour at London, for as a responsible minister of the crown that speech of his is binding on his colleagues in the cabinet.

Mr. JEAN FRANCOIS POULIOT (Témiscouata): Mr. Speaker, I feel it is of the utmost importance to each province of the Dominion that we should consider the causes of unemployment. My hon. friend from North Winnipeg (Mr. Heaps) said that unemployment is not only provincial, it is a federal matter. I believe that it is also an international matter, because it has been studied even by the League of Nations. I see my hon. friend from Queens-Lunenburg (Mr. Ernst) laughing. Let me assure him that unemployment is too serious a matter to laugh at, and I am surprised to see my young friend, who is a man of intelligence, laugh at so serious a problem—a problem that cannot be solved by jokes or laughter. During the past winter I noticed in the New York Times a very sad picture which I place at the disposal of every hon. member. Underneath it is printed the following:

> The unemployed of Australia start a slave market. Men out of work in Sydney offer themselves to the lowest bidder in an effort to find employment for themselves.

[Mr. Adshead.]

It discloses a situation infinitely worse than that which prevails here. I wonder if my friend from Queens-Lunenburg could get a fair price for his services in Australia.

Mr. ERNST: If the hon. member is referring to me, I may say I was laughing at him, not at the problem of unemployment.

Mr. POULIOT: When my hon. friend laughs it makes a general disturbance in the house. In all countries, Mr. Speaker, the social order must be preserved, and any disturbance in that order affects the whole structure. We all remember the great economic disturbance following the war during the period of readjustment. Gradually the world got back to normal. But there is another disturbance of the social order, a continuing disturbance, caused by the shift of our rural population to the cities. People who live happily in the country are attracted by the mirage-like lure of the big cities, and they leave their healthful country surroundings for a stuffy tenement in the city. When those people, either through lack of initiative or of qualifications, fail to find work they become very much embarrassed and eventually are a source of trouble to the community. Then again the constant improvement in machinery displaces more and more men, still further aggravating the unemployment problem. The increased power of our modern freight and passenger engines means that a single train crew can do the work which a few years ago, with the lighter motive power then in use, would have given work to many more train crews.

There is yet another cause of unemployment. In this country we have what are called international unions. I must say that I am in favour of national unions, or Canadian unions. I spoke of the Canadian spirit in this house the other day and arising out of that I ask you how those union heads, who reside in the United States, could have the interests of Canadians at heart. International unions, as a whole, cannot show the Canadian spirit that we may expect from local organizations. What is the effect of unions of an international nature? The effect is that when they have not enough men within their ranks to attend to the work they have in hand, they call people in from the United States to do that work, merely because they are members of the unions, and thereby they discriminate against our Canadian citizens. To my mind this is an incorrect practice, and if something could be done to improve the conditions in this respect it would be highly beneficial to the community. It constitutes the worst kind

of discrimination. We have people who can do a certain type of work; they are able workers, but cannot obtain employment because they do not belong to a union. Instead of giving employment to Canadians the union leaders call in men from the United States. I think there should be more humanity, not only in industry but in labour, so that such things could be prevented in the future.

The Prime Minister, the Minister of Labour and their colleagues are very much interested in the welfare of the working men of this country. The Prime Minister was the editor of the first number of the Labour Gazette. He has been deputy minister and Minister of Labour, and he has taken great interest in all labour questions. May I say to my hon. friend the Minister of Labour, who has risen from the ranks, that it is a great compliment to organized labour when the head of a government consults labour as to a representative from its ranks to act as a minister in the cabinet. My hon. friend the Minister of Labour is equal to his task, and I am glad to see in this evening's papers that the government is doing its part to fulfil the treaty with respect to labour to the extent of recommending the universal adoption of an eight-hour working day in Canada. An order in council is being introduced to-day, as we have noticed in the papers, to the effect that the government employees will not work more than eight hours a day, and will receive pay for overtime after eight hours' work has been performed. It is because we have such real and sincere friends of labour in the government that the Prime Minister said to the president and chairman of the board of the Canadian National Railways that even if the expenditure was higher, the men who have been working for some time for the Canadian National Railways should continue to be given work. The same instructions have been given with regard to the Department of Public Works, and we find the Acting Minister of Imimgration (Mr. Stewart, Edmonton) stating that subsidies to transportation companies which are used for the purposes of immigration will not be renewed this year. Transportation companies will receive no premiums to bring immigrants to Canada to take the place of our own people.

The Old Age Pension Act represents one of the most generous gestures made by this parliament. It is a fine thought when we consider that the old people who are destitute will be helped. I consider it is the duty of the state to give help to those who cannot earn a livelihood because of their advanced years. With this in mind the federal government passed legislation which was accepted by all the provinces from British Columbia to Ontario.

Last year I had occasion to bring before this house the question of low salaries in Quebec. I did so conscientiously to bring the attention of the whole country to the situation as it existed in that province. I mention that fact, Mr. Speaker, because when I referred to the subject last year some hon. members in the far corner of the house said they thought it would be rather inappropriate to discuss the matter, because there was a function in the city of Hull that evening and it was their opinion that the matter should not be before the house. To my mind, the question of low salaries is one of the utmost importance in Canada. I bring it before the house because this is the place where we can more easily broadcast matters of national importance. The situation of the working men in Quebec was very unsatisfactory. A year ago I took the opportunity to speak to the house on that subject, and hon. members were kind enough to listen to my remarks. For the satisfaction of my hon. friends in the far corner of the house may I say that there has been a change in the province of Quebec. I would not say that the change has resulted from what I said, but I shall tell you of what took place. First of all, there was the general report for the year 1929, by the Minister of Public Works and Labour of the province of Quebec. This report, dealing with the minimum wage law for women, was brought down on the 2nd of July, 1929. The speech referred to was delivered on June 12, and two or three weeks later that report was sent to the minister. They had been working on the matter for three years, but almost directly after that little speech they published the report and sent it to the minister.

That is a very small thing, perhaps, but there is more to be said. Last year complaint was made that the Minister of Labour for Quebec had no information as to the wages paid the working men in that province. In 1928 a list of questions was sent to 454 different labour groups, and answers were received from only 245. In 1929, 466 groups were questioned, and answers were received from 280, an increase of 35. That is not much, but it shows good will on the part of these people, and I am surprised that the minister was not sufficiently interested to send his officials to the leaders of the unions in order to get more complete information.

There is something else which brings consolation. A provincial member of the Quebec legislature drafted a minimum wage law for

men. The matter was discussed by the Canadian Manufacturers' Association; they considered the bill which was introduced in the legislature by Mr. Aimé Guertin, member for Hull. During the discussion by the Canadian Manufacturers' Association reference was made to a judgment of the supreme court in regard to a minimum wage law for men in British Columbia, and the association was under the impression that that minimum wage law was declared ultra vires. As a matter of fact it was only an order of the board of adjustment that was declared ultra vires by the Supreme Court of Canada, which said that the board misconceived the nature and scope of its function, and the order which was made was declared ultra vires and invalid. The decision was given in the case of the International Timber Company against Field, judgment being rendered by the Chief Justice. The act itself was not declared ultra vires.

The most extraordinary feature, Mr. Speaker, is that the federated trades council of Quebec declared that a minimum wage enacted by statute would cause great difficulty, and might be taken as the maximum wage by the employers. These people declared themselves opposed to the establishment by statute of a minimum wage for working men. The minimum wage law introduced by Mr. Guertin is referred to in the Montreal Gazette of March 22, where Mr. Guertin is quoted as saying:

> This act shall apply to the provincial government as well as to the municipal school corporations.

Then the Gazette goes on to say:

> It is on this latter clause that the bill will be found out of order, since it affects the revenues of the province and, therefore, can only be brought down by a minister with a companion resolution. In drawing up the bill this fact is emphasized, because the clause is placed within brackets, as done with government bills accompanied by resolutions. The result will be, therefore, that there may not be even a debate on the principle involved.

As a matter of fact, the minimum wage bill was ruled out of order, and the Ottawa Citizen of March 27 has the following to say:

> Because it involved the expenditure of public funds, Speaker Bouchard ruled out of order the bill of Aime Guertin, Conservative, Hull, to the effect that there be established a minimum wage rate for men of 35 cents an hour. The speaker called the attention of Mr. Guertin to the clause which provides that employees of the provincial government come under the act, suggesting a change be made before he made his ruling definite.
>
> Mr. Guertin argued the point, refusing to withdraw the clause. The bill was ruled out of order.

[Mr. Pouliot.]

Mr. Guertin has put a motion on the order paper to the effect that "this house invites the government to introduce at the next session an act to fix the minimum salary of certain classes of male workers."

That is quite an improvement. We have not succeeded yet; the question has not been decided, but it is under consideration, and the day will come when the province of Quebec will have by all means a minimum wage law for men. As I stated last year, the maximum wages in Montreal for nine trades are lower than the average wage paid for the same work in twelve important cities from coast to coast.

The other day I was speaking on immigration, and a friend of mine for whom I have much respect said that a remark I made was nonsense. Perhaps that word may be a boomerang. At the time I said there was only one minimum wage law for men, and that was in British Columbia. Another member, who is not here and whose name I will not mention, said there was one in Alberta, and the other hon. gentleman stated there was one in Ontario for men and women as well. I said that if such laws were in effect in Alberta and in Ontario I did not know about it, and I wired the Minister of Labour for Ontario as follows:

> Hon. F. E. Godfrey,
> Minister of Health and Labour,
> Toronto.
>
> Please wire me if there is minimum wage law for men and women in Ontario and, if so, since when is it in force.

That wire was dated March 24, and Mr. Godfrey was good enough to answer me by wire the same day, as follows:

> Minimum wage law in Ontario applies to women only. In force now.

Evidently the hon. member who interjected the remark about Ontario forgot that the law applied only to women. I have here a copy of the Ontario act, which is headed, "An act to provide for a minimum wage board with power to regulate in certain cases the minimum wages of women and girls." Can men be considered as being women and girls? I have also the orders of the minimum wage board regarding the employment of women in the province of Ontario, and they will convince my hon. friend that it is dangerous to make preposterous statements.

Apparently some good has come out of the exposure made in the House of Commons as to the terrible state of affairs which exists in the province of Quebec. That province claimed at first that the Old Age Pension Act was ultra vires, but they seem to have changed

their minds. The speech from the throne delivered to the Quebec legislature on January 7 last contains this paragraph:

> Several social problems of great importance are now up for consideration. Attempts have been made with more or less success to solve some of these in the other provinces and abroad. My ministers do not wish to be behind hand and intend to submit to you a bill appointing a commission composed of economists, to study the various systems of social insurance, of foster homes for children, of old age pensions and several other similar social questions. My ministers think that an exhaustive consideration of these different problems, in the light of experience gained elsewhere, will lead to their satisfactory solution.

I would point out to my hon. friends in the far corner of the house that that province considers this matter to be within its scope. In accordance with that speech from the throne a bill has been presented to the provincial house, and the provincial Minister of Labour has said that within three months the commission provided for will come into existence. I hope that that commission will not be used as a smoke screen in an effort to make the people believe that the government is coming to their rescue when in fact it does not intend to do anything. Conditions in Quebec are very bad; my hon. friends know that the day labourer is paid only from $2 to $2.50 per day, while the average is much higher in the other provinces. I do not intend to read the statistics which I gave last year to the house, but is not this matter taken as a whole worthy of due consideration?

Congestion in the big cities is brought about by the influx of people from the country, and one means of preventing unemployment would be to demonstrate to the country people that they would be much better off if they remained on the farms. They would be more independent and happier; during the bad years they would have at least sufficient to live on, and during the good years they would be farther ahead.

I take this opportunity of congratulating the hon. member for North Winnipeg and the hon. member for East Calgary on the manner in which they have discussed this question. It is not a matter to be discussed with heat; it should be considered calmly and with the idea of obtaining results. The hon. member for North Winnipeg said that it was the duty of the government to call a conference of the nine provinces in order that this matter might be studied. That would seem to prove that he himself is inclined to believe that the matter is one which comes within the provincial jurisdiction, because if it did not the government would have no reason to call a conference. Even if there is no vote upon his motion I believe he has attained his object, because he has brought this matter to the attention of the country, as I, in my very humble way, did last year regarding the low wages paid in Quebec. When such matters as these are discussed with moderation there is not a man in the country who is not interested in them and who does not give consideration to the best way of remedying the conditions.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, this matter of unemployment is one regarding which every large municipality has made representations to the house during the past three or four months. This government seems to be unlike any other government the world over, because they have simply sat down and fiddled with this question and have made a political football out of it. The first duty of a government is to look after the health, welfare and comfort of its people, but I begin to wonder whether or not we are living in a Christian country when we see this government treating human beings in such a manner. If we should love our neighbours as overselves, then before this parliament closes the government should do something about unemployment. Nine-tenths of the time of the Labour government of Great Britain is taken up in the consideration of the unemployment problem. The United States government, under the administration of Mr. Hoover, has appointed an economic committee composed of the brightest minds in labouring, manufacturing, agricultural, railway and other fields, to meet at Washington in an endeavour to solve the problem of unemployment.

No effort has been made to solve that question in this country. We have a Labour department, but it does not exist so far as unemployment is concerned. Unemployment has never been as bad since confederation as it is at the present time in the large municipalities in this country. Delegations have met the government, but no results have been obtained. The government shelters itself behind technicalities. The house was told a few years ago that unemployment was a matter for the provinces and the municipalities; last session the word "municipality" was struck out, and we were told that it was a matter for the provinces alone—the government refuse to answer the question at all this present session. While I have a high regard for the Minister of Labour (Mr. Heenan) I contend that he has failed utterly to conceive what the government's duty is to

the unemployed of this country. The government shelters itself behind that celebrated document the British North America Act, which act would appear to be preventing this country from solving any of its economic problems. Unemployment should be the charge of the federal authorities for the reason that they make the tariff; they are in control of the banking laws, the immigration laws and many other items which are set out in section 91 of the British North America Act as being under federal jurisdiction. They say: We have had a meeting with the provincial authorities. We seem to have provincial government in the federal sense as regards not only water powers but every other problem. The provinces seem to be running the country because in regard to everything we propose, it seems that we must consult the provinces. This particular question has been made a political football of by the government. The resolution moved by the hon. member for North Winnipeg (Mr. Heaps) is long overdue in the house. We have been here for five or six weeks and we have not had time in this chamber to take up the most important problem confronting Canada to-day, namely, the unemployment situation as it affects all the provinces of confederation.

The minister relies on the index system. The index system has been weighed in the balance and found wanting. I can show as regards industries in Toronto where this is the case. I know a man who received two weeks' employment in his industry during 1929, and who is listed as having been employed all the year round. According to reports, the British system and the United States system have been weighed in the balance and found wanting. As an index of employment it is far from being accurate. It covers only a few industries; it does not cover the key industries at all. The government send down a form and the industries fill it out. Some of the men may be working only five or six days or a couple of weeks in the year, but they are listed as being employed all the year round. The government say that there is practically no unemployment. All I can find out that the government have been doing during the past five or six years in regard to the unemployment situation is that they have established an unemployment bureau in Ottawa. They have provided an "ambassador" cure for unemployment, and they are sending out over the seven seas ambassadors to different countries, hoping by that method to cure unemployment. That is all the government have done. Since this government have been in power 1,300,000 people have gone to the United States and

[Mr. Church.]

the exodus is still going on. We hear talk about the exodus of raw material. What about the exodus of Canadians who are going to the United States to-day and draining this country of its people? From the last issue of the University of Toronto Monthly I found that of the graduating class in medicine sixty-one stayed in Canada, fifty-seven went to the United States and fifteen to other foreign countries. In other words, 50 to 55 per cent went out of the country. The other day I saw a line-up of 347 men in Toronto on Yonge street near Gerrard, a long line of young men in front of a religious mission, waiting to get a bite to eat at the lunch hour. Anybody passing in the street car could have seen the crowd. In other parts of the country soup kitchens were opened up last winter. The government are asleep at the switch. When you ask them to solve any problem, what do they say? They say: We have nothing to do with it; it is a matter for the provinces, the municipalities.

It is the present tariff policy of the government that has put the workers out on the street, because that is where they are owing to the pan-American tariff of the government. As for their immigration policy, they cannot provide jobs for the men we have in this country now and they are still bringing them in. The first thing we ought to do is to set up an all-Canadian policy and to give jobs for the native-born Canadians, instead of having them to go to the United States to help build up that country. In the cities of Buffalo, Cleveland, Erie, Pennsylvania, Toledo and Detroit we have on the United States border of Lake Erie a cluster of cities that are becoming the largest Canadian cities we have. As Senator Couzens said, Detroit is becoming the third largest Canadian city. This process is going on all the time and immigration is to blame. No other province is suffering more than Ontario from unemployment at the present time. Ontario is losing thousands of its citizens in its cities and towns. The city of Toronto is spending $12,000,000 to $13,000,000 a year in maintaining its children in public and high schools and many of these children who are now ten or twelve years of age will, in the next five or six years, be going over bag and baggage to the United States looking for positions. Ontario has been a dumping ground for dairy produce, agricultural produce, coming in from the United States, but the government refuse to do anything; they sit still and say: We have nothing to do with unemployment. The minister says: I will find a permanent cure for it—unemployment insurance. The report of the royal

commission in the United States shows that it is not a permanent cure for unemployment. It is a policy of robbing Peter to pay Paul, and imposing an additional burden on srtuggling industry. I believe in the principle of unemployment insurance, but in this country we have a state of affairs which is quite different from that of other countries. The policy of the government seems to be that nothing that can be purchased in the United States should be bought in Canada, especially eastern Canada, and that anything that cannot be purchased in the United States should be bought preferably in Europe, the first preference being given to Germany.

The Labour department has fallen down; it might as well close up shop for all the help it has been to the toilers and workers of Canada. The Labour department has failed to fulfil the functions for which it was created, namely to look after labour in the country, create jobs and protect the workers. The Alien Labour Act to-day is a dead letter. A couple of years ago when Sir Henry Drayton, then member for West York, was away, I wrote a letter to the minister. Some nurserymen in Sir Henry Drayton's riding complained that thirty-six workers had been brought in from southern Europe to work in the gardens of West York. I could not get a reply, but I found out afterwards that the minister said in the house that the question of the enforcement of the Alien Labour Act was a matter for the attention of the provincial attorney general. Anything to get out from under! Is it any wonder we have unemployment in Canada?

The other day the Prime Minister said at a dinner that freedom, equality and the end of privilege constituted the policy of twentieth century Liberalism. Yet he says: We have nothing to do with the condition and lot of the people among whom we live; unemployment is a matter for somebody else. Is freedom one of the principles of twentieth century Liberalism? Economic slavery to the United States is what the workers have in place of freedom. That is what the policy of the present government has given instead of freedom. Equality! There is no such thing as equality in this country. The government have a tariff policy of robbing Peter to pay Paul. Talk about the end of privilege in this country! Did you ever hear anything like it in your life? They give away the Seven Sisters falls, the Beauharnois water powers and the other water powers of the country. It looks to me as if the government to-day is a government of big interests and appetites instead of a government of freedom, equality and the end of privilege. The twentieth century Liberals were told the other night by one of them who was making a speech in eulogy of the Prime Minister: Liberalism is the open road. Yes, Liberalism is the open road to the United States. The policy of the government has been responsible for the unemployment existing in this country to-day. Liberalism has been the open road for hundreds of thousands of our working people who have had to leave this country to seek a living in the United States. There has been no concerted effort on the part of this government to deal with this problem in a constructive way. I have before me the report of the committee on education and labour of the United States congress, presided over by Senator Couzens, of Detroit. The committee was charged with considering the question of unemployment and ascertaining what the causes were. They found that unemployment may be divided under three heads. I would like to give a few examples of what that committee found in that great country to the south where our young men had to go to look for a living.

The committee find, first of all, that there is cyclical unemployment, unemployment that occurs in a cycle, just like children have diphtheria or the measles. That kind of unemployment is with us most of the time, and how to deal with that form of unemployment is the first duty of the government. A wise and up-to-date government will declare active war on unemployment all the time it is in office, because the government of the day is charged with the responsibility of dealing with this problem. The problem must be faced and dealt with in a large and constructive manner that will redound to the benefit of the toilers in this country.

Secondly, there is seasonal unemployment, which comes on us periodically. They are tackling that problem in the United States to-day, and they have a solution for it. I have already referred to the evidence given by Mr. Willard, president of the Baltimore and Ohio Railway before the senate committee. He said:

> It is a dangerous thing to have a large number of unemployed men and women—dangerous to society as a whole—dangerous to the individuals who constitute society. When men who are willing and able to work and want to work are unable to obtain work, we need not be surprised if they steal before they starve. Certainly I do not approve of stealing, but if I had to make the choice between stealing and starving, I would surely not choose to starve—and in that respect I do not think I am much unlike the average individual.
>
> The Baltimore and Ohio Railroad, as one of the units of society, ought to recognize and carry whatever responsibility rests upon it as

a large employer, and I think, Mr. Chairman, that it was due to our recognition in part of the obligation which I have just been discussing, that we of the Baltimore and Ohio developed a quickened sense of the importance of anything which had to do with the stabilization of employment. I do not hesitate to say that I should personally feel very much ashamed if it were made clear to me that the Baltimore and Ohio Company was not doing all that it could and ought to do, having due regard for the interests of the owners of the property while other employers of labour were fully meeting similar obligations.

The views which I have just expressed concerning this matter are in large degree held by all employers of labour at the present time. In any event I think there is a more universal appreciation of the obligation resting on employers because of our economic system than ever before, and this has led to what I may refer to as a changed point of view, of a changed state of mind, and it is due to that state of mind, in my opinion, more than to any other single thing that the efforts have been made in recent years, which certainly have been made by employers in all lines of business, to deal with this matter in a more constructive manner.

The third cause of unemployment is technological. It is caused chiefly through the introduction of machines that supplant the worker. Men find that their skill is no longer needed. Let me give you a few examples as found in this report:

Seven men now do the work which formerly required 60 to perform in casting pig iron; 2 men now do the work which formerly required 128 to perform in loading pig iron; one man replaces 42 in operating open-hearth furnaces.

In machine and railway repair shops one man replaces 25 skilled machinists with a gang of 5 or 10 semi-automatic machines; 4 men can now do in 3 to 7 hours what it formerly took 8 men 3 weeks to perform in repair work on locomotives, due to the oxyacetylene torch. Fifteen years ago it took 15 to 30 hours to turn one pair of locomotive tires; now it takes 8 hours to turn 6 pairs with same number of men by use of modern processes.

A brick-making machine in Chicago makes 40,000 bricks per hour. It formerly took one man 8 hours to make 450.

The most up-to-date automatic bottle-making machine makes in one hour what it would take more than 41 workers to make by hand in the manufacture of 4 ounce oval prescription bottles. In 25 and 40 watt electric bulbs the man-hour output of the automatic machine is more than thirty-one times that of the hand process.

In New York from 1914 to 1925 the number of workers in the paper-box industry decreased 32 per cent, while the output per wage earner increased 121 per cent.

Thousands of skilled musicians with a life's training behind them are being thrown out of employment by the advent of the talking movie. In the field of news transportation the Simplex and the Multiplex machines have eliminated the need of trained telegraphers, and to-day by the mere process of typing a message at the sending office, the message is automatically printed at the receiving office. Many thousands of trained telegraphers have been made unnecessary during the last few years as a result of this new device. In the printing trades new inventions in typesetting threaten to make possible the setting of type in innumerable offices scattered as many as 500 miles away by the manipulation of keys in a central plant.

That is what they call technological unemployment. It is evident that in the United States they are dealing with this problem of unemployment in a large, constructive way, conducting an active warfare not only on cyclical unemployment, but on seasonal unemployment, and on this newer form, technological unemployment. They are to-day getting results in the United States. The report of this committee has been presented and adopted by congress.

On motion of Mr. Church the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, April 1, 1930

The house met at three o'clock.

RAILWAY COMMITTEE

Second report of the select standing committee on railways, canals and telegraph lines —Mr. Cahill.

PENSIONS AND SOLDIERS' PROBLEMS

Mr. C. G. POWER (Quebec South) presented the third report of the special committee on pensions, and returned soldiers' problems, as follows:

Tuesday, April 1, 1930.

The special committee on pensions and returned soldiers' problems beg leave to present the following as their third report:

Your committee recommends that it be given leave to employ counsel for the purpose of assisting the Dominion executive officers of the Canadian Legion of the British Empire Service League in the matters referred to it. All of which is respectfully submitted.

Charles G. Power,
Chairman.

Mr. POWER moved that the report be concurred in.

Hon. R. B. BENNETT (Leader of the Opposition): The question of the appointment of counsel representing the Canadian branch of the British Empire Legion is one matter; the appointment of counsel to represent returned soldiers is another. I think I intimated that such counsel should be appointed, but he should not be under the instructions of the legion. He should be there

to represent returned soldiers, generally. It would be a wrong principle if counsel were not secured to represent, and did not in fact represent the great mass of soldiers who are not members of the legion. The membership of that organization is said to be about 75,000, out of a total number of returned men of something over 300,000. To that extent I think matters should rest until we can have a conference with the chairman, and it might be concurred in to-morrow.

Motion stands.

ROYAL ASSENT

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

Ottawa, April 1, 1930.

Sir,

I have the honour to inform you that the Right Honourable Mr. Justice Anglin, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber to-day at 9.00 p.m. for the purpose of giving the royal assent to the interim supply bill.

I have the honour to be, sir,
Your obedient servant,
James F. Crowdy,
Assistant Secretary to the Governor General.

The Honourable
The Speaker of the House of Commons,
Ottawa.

MEETINGS OF COMMITTEES

On the orders of the day.

Mr. G. R. GEARY (South Toronto): May I call the attention of the house to the fact that there were five committees scheduled for this morning at eleven o'clock. The committees were banking and commerce, industrial and international relations, special committees on pensions and returned soldiers' problems, railways, canals and telegraph lines, and agriculture and colonization. It is impossible for members to attend all these meetings, and I suggest there should be some sort of clearing house so that committees will not clash in that way.

INDIAN ACT AMENDMENT

Hon. CHARLES STEWART (Minister of the Interior) moved the third reading of Bill No. 22, to amend the Indian Act.

Motion agreed to and bill read the third time and passed.

EXCISE ACT AMENDMENT

Hon. W. D. EULER (Minister of National Revenue) moved that the house go into committee to consider the following proposed resolution:

Resolved, that it is expedient to amend the Excise Act to provide for power to examine witnesses on oath, and to pay their reasonable travelling expenses; for the imposition of duty on screened malt computed on the quantity after it has been removed from the kiln and screened; for making certain offences indictable, and such other amendments as are deemed necessary for a more adequate enforcement of the act.

Hon. R. B. BENNETT (Leader of the Opposition): I think the hon. gentleman might make a statement with regard to this resolution.

Mr. EULER: Mr. Speaker, the provisions of the bill are not many; they are designed almost entirely to clear up some problems and some inconsistencies which have developed during the administration of the act. There are one or two additions all of which, as I say, are designed to make the working of the act more clear with regard to certain weaknesses which have developed. I think possibly if hon. members would allow the motion to pass, the information in detail can be given much better a little later on. I can assure hon. members that the additions which are being made are very simple in their nature and do not involve any great principle at all.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. BENNETT: I suppose this resolution has received the approval of His Excellency the Governor General?

Mr. EULER: Yes, the matter has been brought to the attention of His Excellency the Governor General and his consent has been obtained.

Mr. STEVENS: If we adopt this resolution we agree to the principle of all that is contained in it, and it covers rather a wide range. Would the minister be good enough to take the points one by one and let us know just what are the explanations, in order that we may follow them in their relation to the present act? For instance there is the question of examining witnesses on oath. I understood that the act covered that already. What is the need for that amendment, and wherein does it amend the present act?

Mr. EULER: That particular provision arises almost directly out of an investigation which was held in Halifax last year, to which reference was made at the close of the session by the leader of the opposition. We found then that our own officers had not power to examine witnesses under oath, and an order in council was necessary to give them that power. In outlying sections of the country it will make it very much easier if the officers have that power. I do not see how anyone

can possibly be prejudiced in the matter, and certainly it will make the work of the officials of the department a great deal easier.

The next amendment, providing for the payment of reasonable travelling expenses, explains itself pretty well. The proposition to impose duty on screened malt is to do away with the present condition whereby coomings and screenings are compensated for by a refund after the goods have been imported. We are going to do away with that altogether, so that no duty will be paid on the screenings but only on the net result after the screenings have been removed. Then there will be no necessity for refunds. I am not sure that I can add anything more.

Mr. STEVENS: What offences are to be made indictable?

Mr. EULER: This arises out of a situation which came up in connection with a certain tobacco company which was caught selling cigarettes without the payment of excise tax. They were fined and promised to amend their ways, but they did not do so. It was discovered that they had recommenced the practice and under the circumstances it was thought advisable to seize their stock, but a considerable doubt arose as to whether we could do so legally. I think the house will agree that in offences of that kind it should be possible for the department to deal more summarily with the offenders than has been the case in the past. We are practically without a remedy; people even move goods out of customs bond without any adequate punishment.

Mr. STEVENS: What other amendments are deemed necessary for the more adequate enforcement of the act? That is rather a sweeping power that the minister is requesting.

Mr. EULER: If I wanted to give my hon. friend full information I would have to give him a resumé of the bill itself. The bill is very short; I do not know whether or not my hon. friend has it before him, and I hardly suppose the committee would wish me to recite the provisions which are contained in the bill itself.

Mr. STEVENS: This is not captious criticism at all; the point is that the minister undoubtedly has a rather extensive bill which will follow this resolution. We do not want the minister to come back at us later on, when we query him on the bill, and say, "Well, you agreed to this in the resolution."

[Mr. Euler.]

Mr. EULER: I will give my hon. friend the assurance that I will not find fault with anything he may wish to ask later on.

Mr. STEVENS: This is a very sweeping sort of blanket cheque we are giving; the minister simply asks for such other amendments as are deemed necessary for the more adequate enforcement of the act. We have not the faintest idea of what that is intended to cover. So as far as I am concerned I want the minister to understand that in agreeing to the resolution, when the bill comes up it does not mean that we will not give it the fullest examination.

Mr. EULER: We will not have any disagreement on that.

Resolution reported, read the second time and concurred in. Mr. Euler thereupon moved for leave to introduce Bill No. 48, to amend the Excise Act.

Motion agreed to and bill read the first time.

FAIR WAGES AND HOURS

Hon. PETER HEENAN (Minister of Labour) moved that the house go into committee to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure respecting fair wages and hours for labour employed by contract or otherwise on public works of the Dominion of Canada.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Some hon. MEMBERS: Explain.

Mr. HEENAN: The bill which is proposed to be introduced contains three distinct features. It will establish current rates of wages, provided that in all cases they must be fair and reasonable, which is a new feature in our fair wage policy. It also provides that the eight hour day shall apply to contractors, and it also takes in government employees on similar work, as provided for by the bill. When the bill is before the committee we will be able to give any details required.

Mr. MacLAREN: Mr. Chairman, I think these matters should be considered before the bill is presented to the house. I have received a telegram from an important firm of builders and contractors who state that there are clauses in the bill which would be a possible source of serious embarrassment. These contractors suggest that the construction industry

be permitted to submit their views before a bill is presented to the house. I hope the minister will consider receiving suggestions from employers of labour in reference to the clauses of this bill.

Mr. HEAPS: Will the hon. member state the name of the firm who forwarded that communication?

Mr. MacLAREN: I have not received permission to divulge the name, but neither has any objection been offered, so I presume it would be quite in order for me to state that the name of the firm is John Flood & Sons, Limited, of St. John, N.B. Perhaps it would be better to read the telegram. It starts off by calling me "Honourable." Under ordinary circumstances I would not have mentioned that, but evidently they are taking a keen interest in the progress of events. The telegram reads as follows:

Learn Hon. P. Heenan moved resolution respecting fair wages and hours labour on public works contracts.

That would appear to be previous information as the resolution was moved to-day.

Mr. HANSON: They are an up to date firm.

Mr. MacLAREN: The telegram continues:

Have memo of bill draft and note provisions which are objectionable to construction industry and possible sources of serious embarrassment.

I would direct the attention of the minister to the following:

Suggest construction industry permitted submission views before bill drafted.

In view of the position which these people occupy in the community, and in view of their discernment with regard to the member to whom they sent the telegram, I would urge again favourable consideration by the minister.

Mr. HEENAN: Mr. Chairman, it will be quite proper for any citizen of Canada to make representations regarding this measure, but I do not see how those representations can be made until the bill is printed. A representative of that firm of contractors has interviewed me regarding the bill and I told him that he would be at liberty to bring any delegation at any time after the introduction of the bill. I think the hon. member will realize that no one can discuss the bill until it is introduced and printed, and I can assure my hon. friend that after that time we will receive any delegations in connection with this matter.

Mr. MacLAREN: They do not ask to present their views on the bill, they ask an opportunity to present their case before the bill is drafted. The minister should have the opinion of those who are interested before he drafts his bill as it is easier to make changes at that time.

Mr. HANSON: Mr. Chairman, I would like to ask the minister if this bill will be referred to the standing committee on industrial relations, or is it proposed to deal with it in the committee of the whole?

Mr. HEENAN: Yes.

Mr. HANSON: I think it would be only fair to those who are interested in this bill that they be given an opportunity to be heard. If the minister does not agree with the position taken by the hon. member for St. John-Albert (Mr. MacLaren), then I would suggest that this bill be referred to a committee of the house.

Mr. HEENAN: I would rather introduce this bill as a government measure and take the responsibility than meet the wishes of representatives from all over the country. This is a government measure and it will be dealt with in the committee of the whole.

Mr. HANSON: The government seems to have one policy for one class of bill and another policy for other bills. This is a bill which will vitally affect business in this country. If it were a political plaything which the minister had in mind, I could well understand that he would not—

Some hon. MEMBERS: Order, order.

Mr. HANSON: There is nothing wrong about that. That seems to be exactly what he has presented—a political baby is now to be born. If the minister intends to pursue the line of conduct he has indicated, I would suggest, in the interests of business and in the interests of the men themselves who labour on public works, that the whole thing should be referred to the committee on industrial relations where the views pro and con can be discussed.

Mr. LAPOINTE: We ought to see the baby before sending it away like that.

Mr. HANSON: We can well apprehend the character of anything that comes from the Minister of Labour.

Mr. HEAPS: A few days ago in committee of supply, hon. members from the maritime provinces complained that fair wages were not being paid on certain government con-

tracts being carried out there. Now we have an hon. member from the maritimes (Mr. Hanson) complaining of the action taken by the government.

Mr. HANSON: I cannot allow that remark to pass. I was not the gentleman who took that stand, in fact it was the hon. member for Inverness (Mr. Macdougall) and I am sorry that he is not here to-day to speak for himself. I have not expressed any opinion as to the merits of this measure, and the hon. member for North Winnipeg (Mr. Heaps) has no right to ascribe wrong motives. In fairness to all concerned, not only to the contractors but to the men themselves, as well as to the taxpayers of this country who, after all have to pay the bill, this bill should be referred to a committee of the house where views thereon could be presented.

Mr. CHURCH: Mr. Chairman, the department is eleven years too late in bringing forward this measure. Eleven years ago the city of Toronto adopted an eight hour day and the union or prevailing rate of wages, on contracts which is 60 cents per hour. Nothing is done regarding aid to unemployment until we have an election pending, and then the government decides that something must be done to appeal to the labouring class. This bill is brought down eleven years after the large municipalities in the province of Ontario had adopted not only a fair wage clause but the eight hour day in all civil contracts. The minister in regard to that particular amendment has no way of enforcing it. How is he going to enforce this proposal? What penalty will be placed in a contract to enforce it? Many contracts to-day are dead letters. A great deal of this work is being sublet; a contractor gets a job and sublets it to someone else. As I said last night, the Alien Labour Act is a dead letter in this country. Contractors are bringing into Ontario unskilled labour from all over Europe, and the government and the fair wage officer seem to be asleep because they are nowhere to be found nor can they enforce the contract.

No credit is due to the government for bringing in this legislation. It has been forced upon them by what was done by the provinces and the municipalities in 1919 and 1920. The city of Toronto provides for an eight-hour day and in every contract is inserted a fair wage clause, providing for the union or prevailing rate of wages, which in Toronto is sixty cents an hour for unskilled labour.

[Mr. Heaps.]

Mr. ADSHEAD: After the bill is introduced, will there be an opportunity on the second reading to suggest extensions or amendments to it? I am not objecting to the bill; I am supporting it, but I do not want to be confined to the resolution and not be able to suggest amendments.

Mr. STEVENS: I notice my hon. friend (Mr. Adshead) says that he has no objection to the bill as it stands. I did not know the bill was distributed. I would like to have had the same opportunity of seeing it and I would perhaps be able to discuss the matter more intelligently. The minister may tell us in a moment just to whom the bill has been distributed and who has had an opportunity of seeing and examining it. It would be interesting to know that.

Mr. HEENAN: The bill has not been in the possession of anyone but members of the government. It has not been distributed.

Mr. HANSON: A memorandum of the draft bill has been handed out. Messrs. John Flood & Sons say that they have seen it.

Mr. HEENAN: All I can say is that if they have, I do not understand it, because the bill has not been distributed from our department.

Mr. STEVENS: In the first place, I do not think there has been any occasion for this bill. The government, all through its history, should have been practising the principle enunciated in the resolution. I have in my hand a letter from The Building Trades Council, Vancouver. It is addressed to me and it reads:

> We have been instructed to draw to your attention an anomaly in the methods adopted by the Dominion government in carrying on the construction of public works, viz: when calling for tenders from the various contractors the fair wage clause is a component part of the contract, therefore it becomes compulsory upon the contractor to pay the established or current wage of the district in which he is doing government work; and in the event of any dispute regarding wages the government fair wage officer is empowered to enforce the act. However, on the other hand when the government undertakes to carry out its own construction work by day labour a different procedure is initiated and the fair wage clause is not given the slightest consideration. The men so engaged are hired in most cases at a considerably lower rate of wages than a contractor would be compelled to pay for the same class of work.
>
> This is manifestly unfair because it debars members of the various mechanics' unions from accepting employment on government work when such work is being carried out by day labour and the matter does not end here, as the standard of living which has been built up by organized labour in this Dominion is

imperilled. We would therefore respectfully request that you bring this anomalous condition to the attention of the government and have the act so amended that it will definitely rule; that the fair wage shall be paid on all government work whether undertaken by contract or day labour.

The point I wish to bring to the attention of the minister is this: he gives us no adequate information in the resolution as to the contents of the bill. In reply to questions he has stated: "Well, when the bill comes in, you will see it." He prefers to put the bill in as a government measure and force it through the house. This is a case where there is a definite and reasonable complaint that in certain instances where contractors do government work a fair wage clause is included in the contract. The fair wage clause calls for conditions prevailing and wages paid in the various branches of work in the community in which the contract is awarded, but on government work done by day labour, according to this letter—

Mr. STEWART (Edmonton): Does he cite the cases he has in mind?

Mr. STEVENS: I have read the letter.

Mr. STEWART (Edmonton): That is a very general statement.

Mr. STEVENS: It is the generality of it that is somewhat alarming.

Mr. STEWART (Edmonton): If a man wrote a letter of that kind I would expect him to set forth some specific case.

Some hon. MEMBERS: Hear, hear.

Mr. STEVENS: I do not agree with the minister nor with the "Hear, hear." This is an old dodge.

Mr. STEWART (Edmonton): It is not.

Mr. STEVENS: It is—to say, when a member brings something to the attention of the house, name the specific case; name the particular job.

Mr. STEWART (Edmonton): There is never a letter read on this side of the house but that complaint is made by hon. gentlemen opposite. I think it is a perfectly fair and proper question. If my hon. friend's letter makes an assertion, it should give the particulars.

Mr. STEVENS: I have not the particulars and I am now making a statement based on the letter. The statement I am making is this: I think it is an exceedingly unwise and unfair policy for the government to carry out work under conditions that are different from those that are imposed upon a contractor working on government work, should the work be let by contract. I have other letters on this subject; I have looked for them in my desk, but I find I do not have them under my hand. Does the minister cover that point in the bill which he proposes to base on the resolution which is very brief and incomplete? It says simply that it is—

> A measure respecting fair wages and hours for labour employed by contract or otherwise on public works of the Dominion of Canada.

That is a very broad, sweeping statement. It might be a revision up or a revision down. You cannot get any information from it. Will the minister say whether the particular point I have mentioned has been covered in the resolution?

Mr. HEENAN: Evidently the hon. member was not in his seat when I made my first explanation, or perhaps I did not make myself understood, because that is one point I explained. This will apply not only to contractors or employees engaged by contractors but also to employees of the government on government work.

Mr. McQUARRIE: Will it apply to government employees in the Public Works department?

Mr. HEENAN: Yes.

Mr. McQUARRIE: For instance, on dredging machines and so on?

Mr. HEENAN: Yes.

Mr. McQUARRIE: Is it to be provided that they get a fair wage and also holidays?

Mr. HEENAN: Perhaps I had better explain. It is to provide that every contract with the government of Canada for construction, remodelling, repair or demolition of any work shall be subject to the fair wage conditions. Those are the contracts, and any employees of the Dominion government itself engaged on similar work will come under this bill.

Mr. WOODSWORTH: May I ask if the fair wage proposed is a minimum wage or simply the going wage in the district?

Mr. BENNETT: The current wage, the minister says.

Mr. HEENAN: It applies to current wages that are paid in the district, with this added provision, that in all cases the wages must be fair and reasonable. That is new.

Mr. WOODSWORTH: That does not mean anything. I have a specific instance that just came to my notice to-day. I should like to read a paragraph from a letter that I received

from Canon F. G. Scott of Quebec, with regard to conditions in Grand-Mere. He speaks of the generally bad conditions there owing to the large number of people being out of work through the closing down of the paper mill, and goes on to say:

> The government is building a new post office. At present only the foundation work, outside work, blasting, etc. is being done. I am told on good authority that the workmen are being paid at only 20 cents an hour. . . . Probably a contractor has got the job. Could you bring it before the house? The poor people are desperate and forced to work for anything.

In a district like that, where there is a lot of unemployment, and where wages apparently have been definitely forced down, it would seem as if the going wage is not an adequate safeguard. I think if we are going to have anything of this kind at all, we ought to have a definite minimum wage based on the cost of living.

Mr. MacDONALD (Cape Breton South): Is this bill being introduced in substitution for the draft bill submitted by the trades and labour congress?

Mr. HEENAN: The trades and labour congress did present a draft bill to the government. The bill based on this resolution does not include everything that the trades and labour congress had in mind, but it does take in most of the important features of their draft bill, and a good deal of what is left out is covered by other acts and regulations, such as the water powers regulations, section 244 of the Railway Act, and our own regulations of the Labour department.

Mr. MacDONALD (Cape Breton South): In answer to a question the other day, the minister told me that the bill submitted by the trades and labour congress had been declared by the Justice department to be ultra vires. Are any such sections included in this bill?

Mr. BENNETT: I think that the questions, submitted by the hon. member for St. John-Albert (Mr. MacLaren) and by the hon. member for York-Sunbury (Mr. Hanson) should in some way be answered, because one of the large firms of contractors upon public buildings here in Ottawa, who are also contractors on the Welland canal, have alleged that their financial position, they being presently in the hands of receivers, was brought about by the arbitrary action of a minister of labour who changed the terms of their wage contracts with their employees, and thereby brought about their financial destruction. That is their contention. Whether it is right or not, I cannot say. It did occur to me, however, listening to the minister, that he is dealing with a matter that has received the approval of almost every member of parliament. If I turned to Hansard, I should find that practically every member who has spoken on the subject has urged that it was not only desirable but essential that the government should have the same hours of labour and pay the same wages on its works as other contractors. That is based really on the obligation of the treaty of Versailles. That, I think, is unquestionable. The important question to answer, it seems to me, is what effect this bill may have upon existing contracts, where contractors have employed sub-contractors on certain terms as to wages? This resolution does not touch that at all, which I think is an important question to be answered, because as I have already said, one large firm of contractors claims that its present financial position is due to a minister of labour changing the rate of wages to be paid to their employees.

Mr. HEENAN: The agreements now in existence contain specific provisions, and this bill will apply only to future contracts.

Mr. BENNETT: Quite so. That is what I would suppose.

Mr. ADSHEAD: About ten minutes ago I asked the Minister of Labour (Mr. Heenan) a question, and I have not received a reply. I stated that I wholeheartedly supported the bill so far as it went, but that it did not go far enough. Will there be an opportunity on the second reading to offer amendments to the bill?

Mr. HEENAN: Every member of the house will have a right to offer amendments when we are in committee.

Resolution reported, read the second time and concurred in. Mr. Heenan thereupon moved for leave to introduce Bill No. 49, respecting fair wages and an eight hour day for labour employed on public works of the Dominion of Canada.

Motion agreed to and bill read the first time.

SUPPLY—UNEMPLOYMENT

AMENDMENT OF MR. HEAPS TO MOTION FOR COMMITTEE

The house resumed from Monday, March 31, consideration of the motion of Mr. Mackenzie King for committee of supply, and the amendment thereto of Mr. Heaps.

Mr. T. L. CHURCH (Toronto Northwest): The amendment of the hon. member for North Winnipeg (Mr. Heaps) to the motion for committee of supply, reads as follows:

That in the opinion of this house the government should take immediate action to deal with the question of unemployment.

If we wait till the government takes action, we will wait till doomsday, because they have had all the opportunity they want to take action on this matter, and are incapable of doing anything to give relief or adopting any constructive policy.

Last night I was pointing out to the house what had been done in the United States, under the Hoover administration, to deal with the question of unemployment in a constructive manner. I showed that unemployment came under three heads—cyclical, seasonal and technological. By technological unemployment is meant the unemployment caused by the application of new machinery to industry, thereby displacing man power. Professor E. A. Stewart, of the State Agriculture College, university of Minnesota, says:

Machine-farming developments from 1850 to 1920 have released approximately 27,000,000 workers from agriculture. Picture the undeveloped state of our cities, industries, transportation, and above all the entire absence of our modern sanitary and labour-freeing homes if we were still required to produce our agricultural crops as we did one hundred years ago. It takes but little imagination to picture our now beautiful cities, as a peasant country, ground down under long hours of toil, poorly educated people, faced periodically with famine and pestilence, with simple labour-killing homes for our families to live in, if farming were now carried on as it was in 1830.

While our population in 1950 may be six times as great as in 1850, yet it is conceivable and probable that the decrease in the number of farm workers which started to take place in 1910 will continue, and by 1950 no more farm workers will be required to supply food for a population of 150,000,000 than were required in 1850 for a population of 25,000,000.

This shows the inroads that machinery is making on manual labour. Now, the Minister of Labour says to our municipalities: "We have not anything to do with unemployment; go and see the provincial authorities." Then in turn the provincial authorities tell the municipalities, "Go and deal with unemployment yourselves." If the Dominion government is not concerned with unemployment, what is the necessity of a Department of Labour? Surely its function is to protect the working classes, to secure jobs for them, instead of neglecting their interests and forcing them to go in their hundreds of thousands to look for jobs in a foreign land. The federal government through its immigration department spends a vast amount of money in advertising in England and in bringing in immigrants, and then these people are left to shift for themselves. Unemployment means that most of our factories are running only half time while others are closed down altogether. No doubt Canada is a wonderful country, but what are we going to do about this unemployment? It is no good to tell starving men about the great natural resources of the country; they want work to maintain themselves and their families. The unemployed call for bread, and get a stone and no work.

As I said last night, the United States are dealing with this problem of unemployment in a large, constructive way. They are conducting an active warfare not only on seasonal unemployment but on this newer form, known as technological unemployment, brought about mainly by the introduction of machines that supplant the worker. But what is this government doing to solve the problem? They should be in a state of active warfare all the year round against unemployment. In time of war we mobilize all our resources to overcome the common enemy at the gate. Now, in time of peace, let us mobilize all our resources against the economic invader; let us preserve our home market for our own working men. Is the government doing this? No, the pan-American tariff of the government is throwing our workers out on the street. In short, the government say, "We have nothing to do with unemployment; that is a matter for the provinces." No doubt they rely on section 92 of the British North America Act which declares that the establishment, maintenance and management of hospitals, asylums, charities and eleemosynary institutions are in the jurisdiction of the provinces.

There are several causes for the very serious condition of unemployment that we are now passing through. One is the pan-American tariff that I have already referred to. We have been told that Liberalism is the open road. Of course it is. Liberalism is the open road to the United States for many of our workmen as well as for many of our technical and professional men. Last year the Prime Minister told us that in relation to United States tariff matters we must keep a cool head. Now, after a year of this cool-head attitude what is the fiscal policy of the government to-day? It is a cold-feet policy towards the aggression of the United States. Mussolini has said that Italy will pay back the United States in her own medicine; France will do the same. This country? Well, we are suffering from the cool-head-cold-feet tariff policy of the government. We may as well take a leaf out

of the book of Mr. Hoover, for all is fair in the race for business. Let us tell the people of the United States that we can no longer continue the one-sided "reciprocity" relationship with that country that we have tolerated for the past twenty-five years. The United States have conducted an economic warfare against this country for the last fifty years, making Canada the dumping ground for their manufactured products in exchange for our raw products and man power; and this man power is of much more importance to the future of this country.

Another cause of the present unemployment is lack of technical education. This government says it has nothing to do with technical education. Then there is the lack of any proper policy of scientific and industrial research. Scientific research does not consist in building a great monument of stone and having a research council with a lot of figureheads—mostly doctors. I have been trying to find out what kind of a doctor Doctor Skelton is; he is in the exterior department. Then we have Doctor Tory, who is a Tory in name only, in the research department. Our policy is all wrong. Let us adopt the policy of the British government in this regard. Instead of frittering away millions of dollars on buildings, let us devote the money to medical science, bio-chemistry and other lines of research by grants to the universities.

The government seem to have a lot of specialists in the immigration department. Well, if they were only as successful in immigration as they have been in emigration I should have no fault to find. The former head of that department has been rewarded with a seat in the other chamber. The only cure the government has provided for unemployment is the "ambassador" cure. We have ambassadors in Washington, Tokyo and Paris, with their first secretaries, their second secretaries, their third secretaries, while thousands of our college graduates have had to go to the United States. The government's tariff policy seems to be that nothing that can be bought in the United States should be manufactured in Canada, especially in eastern Canada; and that everything that cannot be bought from the United States should be imported from Europe especially from Germany. That policy has helped to fill the ranks of the unemployed. There is no unemployment in Germany to-day, nor in France or Italy. Why? Because each of those countries has adopted a constructive fiscal policy. The government have no coal policy. Instead of fifty or sixty million dollars going to the American coal barons it should go into the pockets of the coal miners of Alberta and

Wales and the maritime provinces. We have a national railway. What are they doing for unemployment? Their policy of immigration has brought thousands of Europeans into this country.

In the Canadian Pacific Railway system we find Canadians in office, from the top down, but in our government owned system we have many Americans. In the first place, there is Mr. Gaston, a young lawyer from Yale, who is brought in to take the office of vice-president of the Central Vermont line. As a matter of fact, Gaston seems to be a very popular name with the government of this country.

The Minister of Finance claims that he is a low tariff man; the same applies to the Minister of Railways. The Minister of Railways and the Minister of Finance seem to be in a low tariff way the Alphonse and Gaston of the prairies. The policy of the government has been that anything that can be bought in the United States must not be bought in Canada, and especially, in eastern Canada. According to this policy if it cannot be bought from the United States, it should be bought from Europe. Is it any wonder that with such conditions we have unemployment in this country?

One of the unfortunate features of unemployment in Canada is that the workers are forced to lower their standard of living. Another feature is that the state of unemployment has the effect of lowering the morale and self respect of the workmen. Unemployment is a problem of industrial organization, and it is not a problem confined to the operations of individuals; it is a persistent factor in modern life. The industries in Canada however, that can give regular employment to their workmen, even in times of prosperity, are few indeed. From a report I have in my hand I find that from one million to six million people are out of work in the United States, one million is the minimum and once it was six million.

When President Hoover was faced with an unemployment situation he called the heads of industries together in order to arrive at a satisfactory solution of the problem, but we find no such constructive policy adopted by the government of Canada. Instead of the Minister of Labour trying to stem the tide of unemployment, and summoning industrial leaders, he does nothing. As a matter of fact, the government was asked in this house a few days ago if it would hold a conference to relieve the present situation, and it refused.

Unemployment in Canada is the price society is paying for progress, and in many instances it may be traced to efficient management. Many are out of work to-day in

this country because of the progress of modern industry, and revolutionary changes in Canada. Unemployment is caused by methods of manufacture which make it no longer necessary to produce goods by manual labour. Out of this condition we find decay in society which formerly was prevented because of the need of labour. The efficient executive finds that by eliminating the service of a certain class of labour he improves and increases his output.

A considerable amount of unemployment occurs at more or less regular intervals. Such a situation is due to business depression, and to seasonal ups and downs. Such unemployment is constant. Men are thrown out of work regularly, and because of this the subject needs constructive treatment. They lose their work because of financial failures which are occurring and the removal of plants from one end of Canada to the other. This situation requires attention. Where is the Minister of Labour? What is he doing, when this situation exists in our country. We have hundreds of thousands of bushels of wheat in the western elevators, stored up for distribution on the world market. But what is the situation? We find when the price of wheat goes down, the price of bread remains stationary. What is the Department of Public Works doing towards relieving the unemployment situation? What is being done on the national highways, or on the St. Lawrence waterway?

The Canadian Pacific Railway is doing its part to help unemployment and has voted the sum of $50,000,000 to aid the unemployed and for reconstruction. The Canadian National Railways does not take this as an example, however. Thomas Bradshaw, the president of the Massey Harris Company has returned from Europe, and he advocates a marketing board for Canada; but the government will have nothing to do with it. If we were across the border the president of the United States would not take five minutes to find a cure for the problem which faces us. In Canada, however, we do nothing; we refuse to cooperate with industrial leaders. In my opinion, Mr. Speaker, the government should set up a commission for this purpose.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, year after year, we in this corner, have tried to bring the question of unemployment to the attention of the house.

I think we have to admit that this year the volume of unemployment is greater than it has been for some years. It seems to me most unfortunate that our statistics show the amount of employment, but give very little indication as to the amount of unemployment. The statistics simply show the number who on a given date are employed, but does not show the number left out. To my mind this is an important item of statistics, and we should have from the Department of Labour the actual statistics as they apply to this subject. There is little doubt, however, that the situation is serious at the present time. A few weeks ago we had a delegation which waited upon the government, composed of officials of nearly all the cities in western Canada; a week or two later there was a similar delegation from the city of Toronto. I need not go into the figures which they presented to the government, as they have been published already in the press. Undoubtedly we have a large amount of unemployment today. Last fall I was through twenty or thirty cities and towns of Ontario, and I found that even some of those places which hitherto had been comparatively free of unemployment were complaining of it at that time.

We may as well face the fact; we have unemployment. I will say very frankly that I would not blame the government for this condition of affairs; unemployment exists not because of administrative defects but rather because of great economic forces over which no government has very much control. The government may and does claim credit for prosperity; I think they take altogether too much credit for prosperity when it exists. I do not much wonder that people who have been taught to praise the government for prosperity will hold the government accountable for hard times when they come, and I think possibly the government will find that out to their sorrow before many months go by. However, as I say, I do not blame the government for this condition; I think we would have a very large measure of unemployment at the present time no matter what government might be in power. Unemployment is not limited to Canada; we have it in the United States to a very large degree, and our conditions are more or less similar to those which exist in that country. We have it in Great Britain as we all know, and we have it in almost every country in Europe. It is a world phenomenon.

Further I should like to say that I think we should get beyond the stage where we say the unemployed are to blame for the condition in which they find themselves. Many are unemployed through no fault of their own. Again and again we hear people getting impatient with the unemployed and regarding them as the next thing to criminals. I quite admit that there are a certain number who

are lazy and shiftless, but I would say that laziness is itself one of the outstanding results of unemployment. A man who is out of work or who gets only an occasional job for weeks and weeks is not going to continue to be a very good worker, but the fact is that the great majority of the men who are unemployed to-day were employed when work was available, and they would be employed again if work were forthcoming.

Anyone who has been engaged in social work cannot help but be impressed by the hopelessness of the condition in which the ordinary worker finds himself when out of a job. I have been more or less closely associated with the unemployed of my own city for the past twenty-five years. Sometimes we have had more and sometimes less unemployment, but every year in the winter time we have people who are praying that the spring may come in order that they may earn enough to buy something to eat for themselves and their families. Some years ago I was engaged in institutional work, where little children in the kindergarten were being fed at noon because they had insufficient nourishment at home, and some of them were unable to keep on their stomachs the cocoa that was given them, because having been accustomed to only the poorest kind of food the milk cocoa was too rich for them. I say it is no less than a disgrace in this country that year after year we allow maladjustments of this kind to continue. I have stood in a line with the unemployed, and from the scores whose stories I have learned personally, I know that many of these people are only too glad to get a job if the job offers. I remember one day when a few jobs were being passed out to a crowd of one or two hundred men. One man standing beside me was passed over; he gulped and the tears came to his eyes, and as he turned away he said, "I would not mind so much if it were not for the kids." I sometimes wonder, as we sit here in our comfortable chairs and listen to statistics and talk about great policies, whether we recognize quite clearly enough what this unemployment really means in the terms of human worry and human suffering.

We have to-day men in the building trades employed for only six, seven or at most eight months in the year. What are they to do during the other months? They are absolutely helpless in my part of the world; there are no other jobs offering. When the factories close, as they are closed now in some parts of Ontario, what can the man with a little cottage and a family do? He cannot move out to some other part of Canada; he would be just as badly off if he did so. He has to remain where he is, and his family may suffer. Consider the coal miners in Alberta, from whom I am getting heartbreaking letters almost daily, asking that something be done. If these companies cannot market their coal what is the poor miner to do? He cannot move anywhere else; he has to stay there and suffer, and naturally he looks to some authority to do something for him.

Last fall in my own city and my own constituency, where the Canadian Pacific Railway has very large shops, within a few days nearly a thousand men were laid off. What could these men do? Their families were there, it was the beginning of winter, and they could not possibly move out. The situation became more and more desperate in the little village of Brooklands, which is a part of my constituency, on the outskirts of Winnipeg. The municipality began to help, but the municipality consisted of the people themselves and it was poor. One of the last things I did just before coming to Ottawa was to meet a deputation which came to see me, consisting of the mayor and councillors of this little village, who asked that if it were at all possible something should be done for them in the way of relief. Already most of these men have mortgaged themselves to the limit, and they will have to work all this summer to begin to pay their grocery bills.

In this country we must recognize the fact that a considerable amount of unemployment is seasonal in character. Whether or not we admit it to the outside world, in western Canada at least we have a cold climate, and many kinds of work slacken up or cease altogether when winter comes on. Farm labourers are turned off after the harvest, and these men have nothing else to do. Bush work does not open up until later, and at all events there is not so much bush work offering as there was work for harvesters, so these men drift into the cities and increase the problem with which the cities are already struggling.

But I would say that deeper than any of these things I have mentioned is the fact that the unemployment situation seems to be inherent under the existing capitalistic system. We forget that this system, through which the greater part of the productive machinery is concentrated in the hands of a few, is a comparatively new system in the history of the world. In the old days each individual worked with a few tools, produced for himself and consumed pretty much what he produced, or exchanged his products with his neighbours. I am not going into the history of all that was involved in the industrial revolution, but

we all realize that we have an absolutely different state of affairs now from that which existed one hundred or two hundred years ago. Our present system is comparatively new, and we have not yet adjusted many things in it so that they meet the needs of the mass of the people.

Take for example one phase of this situation, the wonderful productivity of the machine to-day. Roger Babson, the well-known statistician, in a recent article in the Cambridge Tribune, stated that since 1914 such progress has been made that to-day thirty men can produce as many motor cars as one hundred men could produce fourteen years ago; forty men can produce as many rubber tires as one hundred men could produce fourteen years ago; in the iron and steel industry forty men can produce what one hundred men produced fourteen years ago; and in metals other than iron and steel sixty men can produce as much as one hundred men could produce fourteen years ago. In varying degrees this is the experience in industry generally. Along this line, I could quote some interesting statistics from the January, 1929, issue of Manufacturing Industries, a copy of which I hold in my hand, but I do not intend to take up the time of the house in doing so. We all recognize how the machine has changed the entire situation, but perhaps most of us have not realized the effect of that change in our own agricultural areas. Let me quote some statistics which a friend of mine procured for me in Saskatchewan, as follows:

On the farms in Saskatchewan, according to the 1926 census, there were 26,674 farm tractors; in 1927, 5,727 tractors were sold; in 1928, 8,703, making a total of 41,104 farm tractors, which means roughly that practically one-third of the farms in Saskatchewan employ tractors. Not only do these tractors apparently displace a number of men but their operation requires men with some mechanical ability and some experience in the operation of tractors, which is evident by the fact that tractor companies conduct schools throughout the province during the winter in the handling and operation of tractors.

In addition to the tractor there is the growing tendency for placing machinery on the farms, as a result of the development of the internal combustion engine and availability of electrical energy. A newer development of farm mechanization is the introduction of the combine. In 1926 there were 148 combines operating in Saskatchewan; in 1927 there were 382; in 1928, 2,679 and the estimate of the Implement Dealers Association for 1929 places the number of combines for this province at between 3,500 and 4,000. Each of these machines will, at a conservative estimate, displace four to six men. They reduce the harvest operation on an ordinary farm, for cutting, stooking and threshing, from a period of possibly ten to fifteen days to five or six days. The total number of these combines in 1928, in the three western provinces was 4,716.

A few years ago immigration was advocated for the west as a means of supplying farm labour, but to a considerable extent that labour is not needed to-day, and in many cases the men brought in are not fitted to do the work which is now required. I wish I had time to give to the house an outline of those books which have become almost standard, such as Tawney's The Acquisitive Society, and Sidney Webb's, now Lord Passfield, The Decay of Capitalist Civilization. I wish hon. members would remember that such social maladies, if I could call them that, as unemployment are part of this system under which we are now living. Some of us are enjoying great privileges under this system; perhaps the whole race is enjoying a higher standard of living, but large numbers of people are suffering because of these maladjustments.

I wish I had time to speak of the larger proportion of production which is going back to fixed capital. A few years ago I mentioned the book of Mr. J. A. Hobson, entitled Economics of Unemployment. He takes the position that although at first our present system may have enabled us to accomplish a great deal more by concentrating wealth in the hands of the few, as this process has gone on and has been extended, not merely to Europe but to almost all parts of the world, we have the phenomenon of a great deal more being produced than the people can purchase, of a very large amount being put back into fixed capital so that the fixed capital is out of all proportion to the commodities produced. That is an economic argument which I think might be considered.

I do not see why we in Canada should not have established a permanent economic commission to carry on research in this particular field. Failing that, it seems to me that we might very well appoint some sort of a joint parliamentary committee, which might sit even between sessions, as I think is done in some parliaments. This committee would be composed of representatives from various parties in the house and would be able to give definite study to questions of this kind.

I do not intend to dwell upon the financial aspects of unemployment, but I would like to quote a paragraph to show what some people think of the underlying financial reforms that might be made. I read from an article entitled Banking Credit and Unemployment as

published in the International Labour Review of January, 1924, as follows:

There is a growing school of economists whose attention is mainly directed toward the possibility of stabilizing industrial activity by judicious regulation of the bank credits upon which industry is largely dependent.

And again:

Bank credit, the main agency through which the community may add to its purchasing capacity, might be regulated, not, as previously, in accordance with mechanical and virtually uncontrollable processes, but in accordance with the broadest interests of society as expressed by a scientific combination of indexes of trade and employment.

When one mentions anything of this kind he is apt to be regarded by the house as more or less of a faddist or crank, and yet these views are being put forward by a large and growing school or series of schools of economists. The subject has been thought worthy of study by the League of Nations.

Unemployment in other countries is brought about by their own local conditions, but our difficulties have been aggravated by our immigration policy. Year after year I have tried to impress upon the house the serious condition which exists in the city of Winnipeg. I should like to read a clause or two from a resolution passed last autumn by the city council of Winnipeg, as follows:

Investigations disclose that a large number of those likely to be unemployed during the ensuing winter are immigrants who have been brought into the country within the past two or three years, and also some who have been put out of employment by the newly arrived immigrants for whom there was not sufficient employment without displacing those who were employed at the time of their arrival.

The responsibility is placed clearly, and these figures are borne out by the conditions obtaining in other cities of the west. Another resolution was passed by the city council which I think is rather interesting. Some hon. members may say that it is very socialistic in character, but it was passed by the Winnipeg city council. It reads:

That council petition the Dominion government to take steps to shorten the length of the working day in order that available work be more widely distributed.

Mr. NEILL: What is the date of that resolution?

Mr. WOODSWORTH: It is signed by the mayor and by the city clerk and was passed early this winter. It is a petition to the governor in council of the Dominion of Canada by the mayor and council on behalf of the citizens of Winnipeg and of the province of Manitoba. I am sorry I have not the exact date.

[Mr. Woodsworth.]

Mr. ADSHEAD: Did you say to lengthen or to shorten the working day?

Mr. WOODSWORTH:

That council petition the Dominion government to take steps to shorten the length of the working day in order that available work be more widely distributed.

We have been told again and again that unemployment is primarily a municipal or provincial responsibility. I quite admit that sixty years ago when a man was out of a job in a little rural area in Ontario or Quebec, this was clearly a local responsibility. I quite admit that in those earlier days when the great part of the population was resident in the country districts or in little villages and dependent upon the country for work, such a matter as unemployment was local in character and naturally would be attended to by the municipalities, helped out in an emergency by the province.

But the situation is entirely changed to-day, and when the Dominion government throws out of equilibrium our population by introducing hundreds of thousands, yes millions of people into this country, the responsibility ceases to be merely local in character and becomes Dominion-wide. Further, as long as the Dominion government so largely controls the country's fiscal policies which may make or unmake an industry, the Dominion government cannot avoid responsibility for ensuing unemployment. It is only in recent years that the present administration has undertaken to refuse all responsibility for social needs of this nature. After the Versailles treaty we find that the report on this subject of the draft conventions was submitted to the Governor General in council on November 2, 1920, by the Minister of Justice and that it was duly concurred in by the council and approved by His Excellency the Governor General on November 6, 1920, as follows:

Recommendation Concerning Unemployed

As to Number 3, the minister observes that the experience of other countries has demonstrated that a system of unemployment insurance, in order to be effective and successful, must be made ancillary or complementary to a system of labour exchanges, the whole being adapted to the principal function of finding work for unemployed insured workmen. In this view,—

And I would like to call special attention to this sentence:

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

I for one am getting a little bit tired of being told by the government that almost any proposal is ultra vires. We are informed in case after case that this has been the declaration of some mysterious people—I do not know just who they are—called the law officers of the crown. When we have in 1920 the Department of the Minister of Justice making an important ruling of this kind, it ought not to be lightly set aside. If the British North America Act was drawn up sixty years ago, surely it ought to be the same in its interpretation for at least ten years and not to be dependent upon what one must more or less characterize as political considerations.

In speaking as I do to-day I am representing the views not merely of the Labour group with which I am associated, but of a very large number of citizens of western Canada. I should like to read a paragraph from an editorial from the Manitoba Free Press of January 14, 1930. The Free Press on the whole, I think, has been favourable to the present administration. It says:

Senator Forke did not say anything very useful when he told the United Farmers of Manitoba that immigration was not responsible for unemployment. Technically he is probably right, but more than technicalities are needed to ward off unemployment. Most people will agree with Mr. A. R. MacNamara, Assistant Deputy Minister of Public Works for Manitoba, when he stated that so long as immigration is a federal affair, one of the keys to the unemployment situation lies in federal hands. He is undoubtedly right.

More than this, it is common knowledge that persons have come to this country on assisted passages with a "guarantee" of employment in their hands, and have found on arrival that hard times have made it impossible for the propective employer to give them jobs. What about these new arrivals? Are they a federal responsibility or are they not? There can only be one answer.

As for the Hon. Peter Heenan's contribution to the problem, the less said about it the better. Even if it is true that the provinces in conference in 1927 definitely stated that unemployment relief was a provincial affair, it does not make Mr. Heenan's position as Minister of Labour much better. The fact is that it is not a purely provincial affair. If the provinces say it is, it is up to Mr. Heenan to disabuse them on that point.

I think that is all I need to quote from the Free Press. I heartily subscribe to that view and instead of the Minister of Labour doing as he did a few months ago when he was asked to call a conference on unemployment, trying to sweep away the suggestion, he should have been in the very forefront endeavouring to champion the cause of labour and the unemployed. I would say to the Prime Minister (Mr. Mackenzie King), who has not yet said a word in this debate: He may represent a constituency in western Canada, but he does not understand the spirit of the west if he thinks he can hide behind the British North America Act when such important questions as this are at stake.

Reference has been made by previous speakers to what the Minister of Labour said at London. I would be glad if by his speech he has given the public generally the idea that unemployment insurance in this country is needed. I suppose that would be a gain. I know the impression has gone out that the Dominion government is about to bring in some measure of that kind. A friend of mine in Toronto, who is not a labour man but, as a matter of fact, a financial man, wrote to me a day or two after that speech saying: "I am glad indeed to find out that the Dominion government is taking action along this line. I have written a letter to the Prime Minister to congratulate him on his action." He said—and he was speaking as a financial man—"I have always taken the ground that labour should have its reserve just as capital needs its reserve." There are many people outside the ranks of labour who are coming around to that point of view.

But whilst there may have been an advantage in the Minister of Labour setting a sort of ideal before the people of this country, it is little less than cruel to raise the hopes of the people unless in some way the government is prepared to back up the statement of the Minister of Labour. The Prime Minister is very fond of dilating upon responsible government, its great advantages and how it was attained. If we believe in responsible government and that the cabinet ought to be responsible for what is said by a minister, then the Minister of Labour ought to be held responsible for an important pronouncement such as the one he made at London. He ought not to give to the general public such a statement as that without being prepared to back it up, or if the report is not correct he should officially deny it. I want to read two or three paragraphs from the report of the Canadian Press. This particular item I took from the Toronto Globe, but a similar statement was in nearly all the papers east and west. This report is taken from the Toronto Globe of March 15, 1930, and reads:

Ottawa to Back Project for Unemployment Fund Heenan States at London

The Dominion government is ready to assist the provinces in establishing unemployment insurance for Canada on a contributory basis announced Hon. Peter Heenan, Minister of Labour, in an address here to-night. In making this announcement, Mr. Heenan said:

"As far as I am concerned, I will utilize my every effort, and the Premier will back me

up, to see that the labouring man who is out of work for any period of the year will have a right to expect and to receive a share of the profits he helped make."

Mr. Heenan said that the nature of certain Canadian industries made it inevitable seemingly that there should be seasonal unemployment in certain occupations. The workers who are unemployed for perhaps two or three months of the year constitute an essential unit in the industrial life of the nation for the remaining periods, and the country should recognize their rights, he said. Mr. Heenan amplified his proposal to say that he believed that the worker, the employer, and the governments, provincial and federal, should each bear a part of the cost of such unemployment insurance.

Now I would like to ask, did the Minister of Labour say that? That is reported by the Canadian Press, and from coast to coast, the government was given credit for it. Did the minister make that statement? I hope that he did. If he did, did the Prime Minister state that he would back him up in that policy? I should like to have an answer from the Prime Minister himself before this debate goes very much further.

An hon. MEMBER: From the Minister of Labour.

Mr. WOODSWORTH: I think the Prime Minister ought to state his position, as well as the Minister of Labour. Further than that, there is a definite pronouncement that the Dominion government is prepared to give a certain amount to assist the provincial governments. Just to be accurate, let me read it again:

Mr. Heenan amplified his proposal to say that he believed that the worker, the employer, and the governments, provincial and federal, should each bear a part of the cost of such unemployment insurance.

Mr. CHAPLIN: That evidently would not be a vicious principle.

Mr. WOODSWORTH: No, I do not think that, and I should like the Prime Minister to expatiate a little bit further on what he meant last year by vicious principle. I have read the Hansard only recently, and for the life of me I cannot see anything else than that after mature deliberation the Prime Minister believes that the granting of old age pensions was based on a vicious principle. I believe that he has subsequently denied that, or it is said that he has denied it. I should like him to state frankly what his position is in that regard.

Mr. MACKENZIE KING: I shall be very glad to do so now. I thoroughly believe in old age pensions and in all that this government has done to support them. I would ask my hon. friend to produce any statement of mine on Hansard or anywhere else which will bear out his statement that I thought old age pensions were based upon a vicious principle.

Mr. WOODSWORTH: I have not the page of Hansard.

Mr. MACKENZIE KING: No, and you cannot get it.

Mr. WOODSWORTH: Will the Prime Minister permit me to bring it before him later?

Mr. MACKENZIE KING: Yes, but you cannot find it anywhere.

Mr. WOODSWORTH: I remember distinctly that there was an interruption by the hon. member for Vancouver South (Mr. Ladner), and the Prime Minister replied. I referred to this last year.

Mr. MACKENZIE KING: The interruption my hon. friend is referring to will not bear out what he is saying.

Mr. WOODSWORTH: I shall be glad to get it.

Mr. MACKENZIE KING: I do not know why my hon. friend should be so anxious to misrepresent me. He knows what my attitude is.

Mr. WOODSWORTH: The Prime Minister is hardly fair to me. I have not been unfair to him.

Mr. MACKENZIE KING: You are unfair to me now.

Mr. WOODSWORTH: I shall take the earliest opportunity possible of finding the page in Hansard and reading it, and I shall hope to do this early enough that the Prime Minister may be able to make his statement based on that Hansard record. I do not want to be unfair to the Prime Minister. What I thought was simply this: As the years have gone on, the Prime Minister has been so busy emphasizing the necessity of placing responsibilities on the provinces, that he has gradually come to the point where he feels that it would not be a good principle for the Dominion government to hand over grants to the provinces in the way that was done under the Old Age Pensions Act. If that is not the case, why I shall be delighted, because it may mean that the door will be open and that we may get other types of social insurance. I would say to the Prime Minister —he may think that I have no right to make the suggestion—that from the political standpoint he could not do anything better in this country than to grant some relief to the tens

of thousands of people who are to-day having a very hard time through lack of employment. I am not particular whether that relief comes from the Liberals or the Conservatives. We in our little corner are too small a group to hope to be in a position for a great many years to come to bring in a money measure. We cannot do that, but we do urge one of the older parties that has the necessary numerical strength to do it. I should like to take advantage of this opportunity to ask the Prime Minister and the Minister of Labour to place very clearly before this house and the people of this country what their policy really is. I do not think it is fair that despatches of the kind I have read, should go out through the press to the people of this country from coast to coast, and then when we try to pin the speakers down to declare what they really mean to do, we get an evasive reply.

Mr. MACKENZIE KING: I made a frank reply to my hon. friend in the house, in answer to a question that he put to me. He knows that it is on Hansard. There is no evasion. It is as clear as day.

Mr. MANION: The Minister of Labour says exactly the opposite of what the Prime Minister says.

Mr. WOODSWORTH: The Prime Minister's statement was clear, but it was not the same type of statement that he made the day before in the room where the deputation was being heard.

Mr. MACKENZIE KING: I beg my hon. friend's pardon. The statement was identically the same, and again I challenge my hon. friend to point to any authoritative source which will indicate that there is any difference. My hon. friend is not fair. He is not following his usual custom; I will say that.

Mr. WOODSWORTH: I want to be fair. I shall be glad to have this matter cleared up. I was present and heard the Prime Minister. We had no official Hansard there, but a great many people came out from the meeting under the impression that something would be done.

Mr. MACKENZIE KING: Something very different from what my hon. friend is now saying.

Mr. WOODSWORTH: Then the next day the Prime Minister refused, as he rightly said, to commit himself to definite action. But a few weeks later, the Minister of Labour goes out and says something very different from what the Prime Minister has said, and the Prime Minister so far has not repudiated what the Minister of Labour says.

Mr. MACKENZIE KING: The Minister of Labour will make his own statement. My hon. friend was referring to me, and I was referring to what he said about me. He can find nothing on record anywhere to support what he says is my attitude with regard to old age pensions or unemployment insurance.

Mr. WOODSWORTH: The Prime Minister knows as well as any member of this house that on the theory of the collective responsibility of the cabinet, no responsible minister can make a general pronouncement of policy without committing the cabinet itself. The Prime Minister has not repudiated what the Minister of Labour has said.

Mr. MACKENZIE KING: My hon. friend has not heard the Minister of Labour yet.

Mr. WOODSWORTH: I have read to-day the statement, in quotation marks, of the Minister of Labour that went out over the Canadian Press wires, and the Minister of Labour himself has not repudiated that statement. I want to get this situation cleared up. I should like the public to know whether the government does or does not intend to do anything along the line of unemployment insurance. If it does not, I think the people of this country will turn to somebody who will. On the other hand, if the government intends to go ahead with a scheme, some of us here are prepared to back them up to the limit. But we should like to know, and the public has a right to know, what the government proposes to do.

I do not want to go into the details of unemployment insurance. May I say simply that it is generally recognized the world over that under the existing system, with the evils and maladjustments that have arisen, it has become essential that until some better system is brought in, some sort of unemployment insurance should be provided. Here let me give credit to the Prime Minister; he agrees with that position. Well then, I ask, what action may we expect the government to take at this time?

Mr. J. T. THORSON (Winnipeg South Centre): Mr. Speaker, I agree with a great deal—

An hon. MEMBER: Let us have the Minister of Labour—Heenan.

An hon. MEMBER: The member for Winnipeg South Centre has the floor.

Some hon. MEMBERS: Let us have Heenan.

Mr. THORSON: I agree with a great deal of what has been said by my hon. friend from Winnipeg North Centre (Mr. Woodsworth).

An hon. MEMBER: It is time we heard from the government.

Mr. SPEAKER: Order.

Mr. THORSON: With him I agree as to the necessity of a scheme of unemployment insurance. I believe in unemployment insurance, not as a panacea for unemployment, but as a means whereby the evils of it might be very considerably lessened. One of the most comprehensive editorials that has been written on this subject appeared in the columns of the Manitoba Free Press shortly after the unemployment conference that took place in Winnipeg in January of this year. May I quote one or two paragraphs from that editorial? It says:

> The idea that unemployment can be entirely cured or prevented will not be entertained by anyone who recognizes the effect that economic changes and the invention of new machinery have had in the past, and will have in the future, in displacing labour, and who also remembers the weakness of human nature and the measure of incompetence and improvidence that it contains. The problem will always continue, and it is a question of reducing it as far as we can. In seriously attempting this, no one will imagine that it can be accomplished by any single panacea. The problem must be attacked in many different ways and success will largely depend upon general cooperation.

I believe the statement that unemployment will always be with us is particularly true of a country subject to the climatic conditions that obtain in Canada. The editorial proceeds:

> Although unemployment cannot be completely cured, the conscience of the present generation is impelling it to make the most intelligent and most resolute attempt to reduce the problem to much smaller limits.

In common with my hon. friend from Winnipeg North Centre, I agree that a system of unemployment insurance will have the effect of reducing the problem to very much smaller limits than those that exist at the present time. The editorial goes on:

> The community hears the cry of the women and children and realizes the worry of men who are unable to help their suffering dependents It knows that unemployment begets poverty with all the unhappy social effects flowing from it. Apart from human compassion, there is the fact that the unemployment of labour is an economic loss and also that the conditions arising from unemployment result, directly or indirectly, in heavier demands upon our general hospitals, mental hospitals and jails.

Then the editorial goes on to consider where the responsibility rests:

> What is the responsibilty of the Dominion, the provinces, and the municipalities? And in what way should they cooperate? The Dominion government cannot divest itself of a measure of permanent responsibility,—

With that statement I entirely agree.

> —at least whenever unemployment becomes very acute in any section of the country. Apart from the duty of helping any part of the Dominion when there is real trouble there on a large scale, there are two counts on which the federal government has a responsibility for unemployment. It has control of immigration and the influx of more people than the country can absorb is sometimes the cause of unemployment. It is undoubtedly partly the cause of the present difficulty. Another ground for Dominion responsibility is that there are many ex-service men among the unemployed and some of them are there as a result of war service. If it were left entirely to the provinces and the municipalities to deal with unemployment, and if one province did so more adequately than another, it would be inviting the unemployed to come to that province. With federal cooperation the provinces would all be better able to meet the situation and this trouble would not arise.
>
> The Dominion then has a certain definite responsibility and should be ready to cooperate whenever unemployment becomes too great a burden for the municipalities and provinces. How can that cooperation be given? It can provide work by proceeding with public works and by having the government railway system make a special effort to proceed with improvements. And it can also contribute a percentage of the cost of unemployment relief that is undertaken locally. It may be a bad principle, as Premier King says, for the Dominion to make grants to the provinces and lose control of the spending of the money, but it is a practical expedient which is necessary to meet serious unemployment situations.

So much for Dominion responsibility. Then the editorial deals with the responsibility of the provinces and municipalities:

> The provinces have a responsibility because there is always a certain drift of the unemployed within the province, particularly to the larger centres, and the burden cannot fairly be left to them to bear. And the unemployment of their own people is sometimes so great in some municipalities that they have a proper claim upon the province for assistance. The municipalities, of course, are brought directly face to face with the problem. They cannot evade it because it is pressing upon them and they must cope with it as best they can, and with all the cooperation they can obtain. But unemployment is often due to general rather than local causes, and it is unreasonable to leave too great a burden upon the municipalities.
>
> What can the municipalities and the provinces do to lessen unemployment? They can encourage such developments as will ensure a large element of stability of employment. The fact that many of the unemployed in Winnipeg this winter have been farm workers shows that the encouragement of mixed farming, which would keep more farm workers employed all the year, is one practical way of stabilizing employment in Manitoba. The municipalities and the province can also deliberately plan to have as much work available in the winter as possible. Are there other ways in which the Dominion, the provinces or the municipalities can cope with the problem?

Then the editorial deals with the responsibility of employers with regard to unemployment:

The railways, manufacturers, public service corporations, and other employers also have a very definite responsibility to maintain the greatest stability of employment possible and to avoid, wherever possible, the laying off of workers for certain periods. They cannot, in this generation, treat their workers simply like equipment that can be used or laid aside when not required. They must have regard, and must feel a direct responsibility, for the welfare of their workers. A great deal has been accomplished when there was a real effort towards stability of employment, and great hardship and suffering have often resulted from the lack of such effort. The principle should be accepted of every industry or business endeavouring to carry all its permanent employees and making that a charge against the business.

The editorial proceeds with a statement which I think is very important, and with which I entirely agree. It is this:

Finally unemployment insurance must be regarded as one inevitable means of dealing with seasonal unemployment in Canada. Under our constitution, apparently, it must be undertaken by the provinces. Should the constitution be amended to enable the Dominion to contribute, since the Dominion has a responsibility in the matter? With the workers, the employers and the government sharing the cost, the workers would be protected against the annual loss and hardship due to winter unemployment. It would be one of the most effective means of dealing with the situation.

I do not propose to analyze the causes of unemployment, or to lay down any rules that ought to be followed in any attempt towards a solution of the problem. I doubt whether the problem will ever be solved, in our present state of distribution of the proceeds of labour and of our national wealth. There are some things, however, which are not the causes of unemployment. The editorial goes on to say:

It is hardly necessary to say that unemployment in Canada or elsewhere is too serious a matter to be treated as a partisan political issue. The suggestion that the problem can be solved simply by raising the tariff and giving greater protection to Canadian producers is answered by referring to the situation in the United States, highly protected and yet with some 3,000,000 workers now unemployed; or to Australia, whose tariff has been raised from time to time for the specific purpose of offsetting unemployment but whose new government finds that unemployment is still very serious, and proposes to apply the old remedy although a recent royal commission expressed the opinion that, while the tariff had been beneficial to Australia, it had been raised too high and was hampering and injuring the country. There is no such cure for unemployment. It must be attacked in various other ways. It is an urgent human problem that demands the best thought that can be given it, and the most practical forms of cooperation that can be devised.

This house has placed itself on record on a number of occasions as being in favour of the principle of unemployment insurance. Reference has been made from time to time to the powers of the Dominion on the one hand, and of the provinces on the other, in regard to this matter. Much as my hon. friend from Winnipeg North Centre may deplore the fact, the British North America Act is of importance in connection with this subject. May I indicate wherein the difficulty lies? I do not think there is any constitutional objection to the Dominion government participating in the cost of unemployment insurance, in so far as that cost ought to be borne by the state. The Dominion government now contributes to the cost of old age pensions, and it could with equal right contribute to the cost of unemployment insurance. There is a constitutional difficulty, however, that is fastened upon us by the British North America Act; we are subject to certain restrictions. I use the expression "fastened upon us" advisedly, because it frequently happens that our federal system is an absurd arrangement so far as national progress and development are concerned. I would not be in favour of any scheme of unemployment insurance which is not based upon compulsory contributions towards the cost of it by the employer on the one hand, the workman on the other, with the state as a third contributing party. There is no doubt whatsoever that it is beyond the constitutional powers of this parliament to enact a scheme of unemployment insurance which can effectively compel employers and workmen to contribute to the cost of such a scheme.

Mr. WOODSWORTH: Would it not be possible that the Dominion government could say that if such a scheme were set up it would be willing to make a contribution?

Mr. THORSON: I am coming to that phase of the question. No scheme of contributory unemployment insurance can be validly effected, in so far as it is a general scheme, without the cooperation of the provinces in the project. Therefore, while there is undoubtedly a large measure of responsibility for unemployment resting upon the federal government, there is also the necessity of having the provinces enter into such a scheme, because no scheme of unemployment insurance is likely to be accepted by this country unless it is contributory in its character. We must admit that it is beyond the legislative powers of this parliament validly to enact such a contributory scheme.

Mr. GARLAND (Bow River): It would be a scheme which would be dependent upon concurrent contributions, in the manner the hon. member has mentioned.

Mr. THORSON: Yes, and the cooperation of the provinces would be necessary.

Mr. GARLAND (Bow River): Does not the hon. gentleman think it is the duty of the federal government to initiate that very thing?

Mr. THORSON: I would be very strongly in favour of the Dominion government initiating such a scheme.

The situation I have described was realized by those who drew one of the resolutions that was presented to the unemployment conference held recently in Winnipeg. The resolution to which I refer was moved by Thomas E. Moore, an alderman of the city of Fort William, and seconded by Thomas W. Malloy, who represented the government of Saskatchewan. The text of the resolution is as follows:

> Whereas after an exhaustive enquiry by a committee of the federal government recommendation was made for the establishment of an unemployment insurance scheme for the whole Dominion; and
>
> Whereas the law officers of the crown expressed the opinion that under the British North America Act the federal government cannot inaugurate such a scheme; and
>
> Whereas there is urgent necessity for the establishment of an unemployment insurance scheme;
>
> Therefore be it resolved that this conference endorses the principle of unemployment insurance, and urges the calling of an inter-provincial and federal conference at the earliest possible date for the consideration of the adoption of a Dominion-wide scheme.

There are various methods that might be adopted in setting up such a scheme. We might follow, for example, the course we took when we enacted the Old Age Pensions Act. We set up the machinery for the administration of the old age pension system, and then said, in effect, to each of the provinces, "You may come into this scheme; you may apply it to your province or not as you choose." We might follow a similar course with regard to inaugurating a system of unemployment insurance. One of the difficulties with regard to such a proposal was voiced at the unemployment conference in Winnipeg last January when Mr. MacNamara, assistant deputy minister of public works for Manitoba, said:

> I firmly believe that no city or province dare work out a comprehensive unemployment scheme without making that city or that province the Mecca for the unemployed beyond its boundaries. Any scheme must be undertaken in all parts simultaneously. It has been suggested that unemployment insurance is the cure. Fancy any one province undertaking a scheme like that on its own.

[Mr. Thorson.]

That is one of the difficulties of setting up a scheme similar to the one that we set up with regard to old age pensions. Much hesitation might be shown by any one province in being the first to come into such a scheme.

The suggestion has been made, however, by the hon. member for North Winnipeg (Mr. Heaps), that we might in this parliament set up machinery of the sort which I have indicated, and provide that it should not come into operation until three or four or five of the provinces have indicated their willingness to enter into such a scheme. That course of procedure, I think, would meet the difficulty which Mr. MacNamara suggests and at the same time would bring about the necessary cooperation between the Dominion on the one hand and the provinces on the other. With that suggestion of the hon. member for North Winnipeg I quite agree. I would like very much indeed to see proper steps taken towards the calling of an interprovincial and federal conference with a view to instituting such a scheme of unemployment insurance as that which I have endeavoured to outline.

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, I cannot agree with my hon. friend for Winnipeg North Centre (Mr. Woodsworth)—

Mr. GARLAND (Bow River)): Nor with the hon. member for Winnipeg South Centre (Mr. Thorson), who has just spoken.

Mr. YOUNG (Weyburn): Perhaps not, but my hon. friend does not know yet what I am going to say. I cannot agree with my hon. friend from Winnipeg North Centre when he says that the cause of unemployment is the introduction of improved machinery.

Mr. WOODSWORTH: I did not put it in just that way. I suggested that the improved machinery did bring about immediately a certain amount of unemployment, that it was one of the contributory causes.

Mr. YOUNG (Weyburn): We will let it go at that. The introduction of machinery has had this effect. It has made production cheaper and has made it possible for a smaller number of men to produce the same amount of wealth. When we say that the introduction of improved machinery and methods brings about unemployment, we place ourselves in the position which the workmen took two or three centuries ago when the loom and the spinning jenny were invented. They thought these machines were going to take away their employment; therefore they proceeded to destroy them.

Mr. CAHAN: And so they did for the time being.

Mr. YOUNG (Weyburn): For the time being, but in the long run the result was more employment, and it was possible for the world to sustain a larger population in a greater degree of comfort because of the existence of those machines.

Mr. STEVENS: Kindergarten stuff.

Mr. YOUNG (Weyburn): Perhaps so, but my hon. friend would not be any worse for a little kindergarten teaching. I cannot agree with my hon. friend, either, when he says that a shorter day will solve the problem.

Mr. WOODSWORTH: Again that is hardly what I said. I read a resolution passed by the Winnipeg city council, urging upon the government a shorter working day.

Mr. YOUNG (Weyburn): Do you not approve of it?

Mr. WOODSWORTH: Yes, I do, but I do not say that would solve the problem.

Mr. YOUNG (Weyburn): But you approve of the suggestion. Well, in my opinion a shorter working day would mean less wealth created in the world, less wealth for the people to consume; less food; less clothing, less of all the things that go to make real wealth, and therefore you would only aggravate the condition.

Mr. HEAPS: Then why not work a fourteen-hour day?

Mr. YOUNG (Weyburn): If it could be demonstrated that by working a fourteen-hour day we could produce more than in a ten-hour day, I think we would be better off to do so. However, what I want to deal with at the present time is the particular condition in Canada at the moment, rather than unemployment in general.

I think at least hon. gentlemen opposite will agree that there is more unemployment in Canada to-day than there has been for some years past. What is the reason for it? The primary reason is that we had very poor crops last year. Railway employees were laid off and have been out of employment all winter, because there has been no wheat to move. Not only were railway employees laid off for that reason, but factory workers are also out of employment from the same cause. Those farmers who had wheat to sell found that the price had gone so low that when they had paid their necessary out of pocket expenses nothing was left for themselves. The purchasing power of the farmer has disappeared; he is not buying. If you would restore employment in this country the first thing to do is to restore the purchasing power of the farmer.

It has been suggested—in fact all the suggestions have been—that we should adopt some form of unemployment insurance, the cost of which would be contributed to by the workers, by the employers and by the government. I have no objection to any form of unemployment insurance which is to be supported by the workers themselves and their employers, but when you ask the government to contribute to the cost of that insurance I object.

An hon. MEMBER: Why?

Mr. YOUNG (Weyburn): I will tell you why. The unemployment situation has been worse during the last six months than it was the previous six months. It got worse in the fall, when it was found there was a very small crop to move, and that that crop had brought the farmer very little purchasing power. These men who were laid off had been employed for the previous six months, and were paid for every day they worked. The farmer worked the whole year. He did not receive his wages every week or every month. When the end of the season came he found that he was getting nothing for his year's work, and when you ask the government to contribute to an unemployment scheme you are asking that farmer, that man who for a whole year has been unemployed so far as receiving wages is concerned, to contribute to the support of a man who has been paid wages for at least six months.

Mr. HEAPS: If the farmer has nothing how could he contribute anything?

Mr. YOUNG (Weyburn): That is a very clever remark. I say the purchasing power of the farmer has gone. The farmer who had some wheat found that when he paid the necessary out of pocket expenses, that is, his threshing charges, his taxes and such things, nothing was left. The government takes a toll on everything that farmer buys, and out of that revenue it is proposed to pay a part of the cost of this unemployment insurance. The government has taken that toll from him and will continue to take it every time he buys anything.

Mr. MacDONALD (Cape Breton South): I should like to ask one question. Is my hon. friend opposed to the idea of the Workmen's Compensation Act, which is unemployment insurance when that unemployment is caused by disability?

Mr. YOUNG (Weyburn): Not necessarily, but that is another question entirely.

Mr. GARLAND (Bow River): I should like to ask a question, which I think my hon. friend will not say is another matter entirely. Is he in favour of the provincial government backing the possible losses of the farmers through the wheat pool guarantee and is that not a possible contribution by unemployed labour as well as by farmers?

Mr. YOUNG (Weyburn): That is another question entirely. I say that it is a rank injustice, and I protest against asking a man who has worked for a whole year and who has received no return for that labour to contribute to the support of a man who has been out of work for only six months. I have seen a farmer sell his entire crop at the end of the season and after paying his out of pocket expenses take every dollar of what was left and give it in wages to his hired man. I have seen that hired man go into the city and within two months he was flat broke, and I protest against the farmer being taxed to contribute towards the support of a man like that for the rest of the winter.

The ACTING SPEAKER (Sir Eugène Fiset): Is the house ready for the question?

Mr. MANION: Are we not going to have a statement from the government?

Some hon. MEMBERS: Question.

Mr. J. H. HARRIS (Toronto-Scarborough): Mr. Speaker, it is rather a pity at this stage of this debate to find there is to be no answer from the government to an amendment to go into supply, which is practically a vote of want of confidence. The Minister of Labour (Mr. Heenan) sits mum, the Prime Minister (Mr. Mackenzie King) sits mum, and no effort is made, except the smiles of the Minister of Justice (Mr. Lapointe) to answer the amendment put forward by the hon. member for North Winnipeg (Mr. Heaps).

The government is going to sit there and manoeuvre politically to see what it can do to wiggle out of the situation in which it finds itself. It would almost let the question be put rather than answer the arguments made by the hon. member who proposed the amendment. It would let the unemployed tighten their belts a little bit more before it would enunciate to the country a policy which might relieve the situation. This session has taken the cake as far as political manoeuvring is concerned. The government has on more than one occasion sat back in order to see if it were possible to get hold of something apart from the general administration of the affairs of the country upon which it could hang an election issue. We have one instance after another which demonstrates its efforts to get away from the maladministration of affairs and to centre the attention of the people upon some side issue. The Minister of Justice looks towards me, and I suppose he would like me to talk about something which would be of interest to him.

The Prime Minister has intimated in previous years that he would bring down some legislation on divorce. After sidestepping several efforts which were made to force him to keep his promise, he asks an hon. member from Winnipeg to introduce a resolution and then, when the vote comes on, he asks the hon. member who sits directly opposite me to vote first, so that the press gallery and the country would not have the idea the government was taking any particular position upon the question raised in the house, as that question had been raised by a private member. The Prime Minister squirmed in his seat, he snapped his fingers and sent a message over that this gentleman should rise first and the government would have no responsibility for the issue, even though the promise had been made a year previous that legislation would be brought down. An effort was made to divert the attention of the people from the administration of this government, and the members of the house almost were challenged to make an issue with regard to the resolution brought in on the customs report. Members were told, "If you do not do such and such a thing and adopt this export bill, we will ask the country about it." Ask the country about anything and everything except the record of your administration during the last few years. The government will sit there and receive the benefit of the discussion upon this unemployment question and will not make any answer to the resolution which is equivalent to a vote of want of confidence. The government is enabled to pick out what valuable suggestions have been made, and then I suppose some member of the government will make a reply Do you call that following the mother of parliaments? Do you call that solidarity of government, when your back-benchers are put up to state their opinions before an official reply is made? As I understand a solid government it is one which, when challenged, immediately states its position in order that the other hon. members may know what it is. I suppose the government will state its position at the end of this debate when it has heard the representations made from all sides of the house as to what is best to be done.

Coming to the question under review, there is no doubt that considerable unemployment exists. As the hon. member for Winnipeg North Centre (Mr. Woodsworth) has said, unemployment has been worse during the last six months than it was for the previous six months. It has been worse during the last six months than it was on January 28, 1926, when the hon. Minister of Justice rose in his place and stated:

—but the government is willing in case of serious emergency, when a grave situation exists, to cooperate with the provincial and local authorities, and to bear a share of relief work or other relief measures which have to be adopted to meet a serious situation of that character, and we shall ask parliament to give us authority to that effect.

The hon. member for Weyburn (Mr. Young) will admit that the situation is worse to-day than it was in 1926. If this condition exists, why was not something done when deputations came from all parts of Canada and asked this government to participate in unemployment relief in order to relieve an emergency. Not only did the government know about this condition, but during the months of December of last year and January of this year the press of the country were bringing this to the attention of the government. Even that good friend of the government, the Ottawa Citizen, had something to say in December. They reported:

Never before in the history of the city has the Union Mission, the hostel for indigent men, been so crowded at this season of the year as it is to-day.

The hon. member for Winnipeg North Centre gave us the situation in Winnipeg. Four thousand single men and some four hundred married men with their families are being fed by the province and the municipality at Edmonton. The government knew that such a condition existed during December and January, but what is their answer to this plea? Statistics, the index figure of unemployment for September, October, and so on. It is claimed that this is not a federal responsibility but is a matter for the provinces. I think it was the Prime Minister who said that it was first for the individual, then the municipality, then the province, then the government. In other words, the individual who may be in a hopeless and helpless position due to unemployment has to wait until his municipality is in that same position; the municipality in turn is forced to wait until the provincial government has reached that stage; then when they have all reached that state of chaos this government will rise to the occasion and offer assistance for the relief of the situation. Is that fair? We are all one people.

[Mr. Harris.]

In my opinion, before the hopeless individual finds himself helpless, policies should be enunciated; not economic argument but economic action to relieve the conditions in this country is what the hopeless and helpless individual wants and it is what the members of the government are on the treasury benches for. They are there to give us economic action, to see that these men are not left in this condition. When they are left in this condition through the world situation, the collapse of the stock market and—I will not say wheat pool manipulations but wheat pool activities, then the Minister of Justice, according to his utterance of January, 1926, can come to the relief of the situation, and parliament, I am satisfied, will endorse what is done.

A deputation from the city of Toronto, from which I come, visited Ottawa and made a few modest representations to the cabinet. We told them of $300,000 being spent to relieve the unemployment in Toronto. We told them that never before in the history of that city did the House of Industry provide so many meals for men out of work. We told the cabinet that all we wanted them to do was to participate in the extra cost involved in the carrying on of necessary work. We told them we had the assurance of the provincial government that they would pay their share and all we asked was the cooperation of the Dominion government in paying for the extra cost of carrying on works which will be done this summer. But no, the answer we got was more statistics, more bluebooks, more employment indices. In the meantime the taxpayers of that great city are paying into the treasury and the treasury in turn is paying out to the House of Industry a sum which will amount to more than $300,000 and which will make it that much more difficult for industry to continue, that much more difficult for the citizens to carry on.

The problem has been before the government; the government has taken no action and a great deal of the responsibility rests with it. Of course there has been a great deal of unemployment in other countries. Hon. gentlemen on the other side who will follow me will no doubt tell us all about the difficulties in the country to the south; but in that country they realized the difficulties; they saw what was happening. The hon. member for Toronto Northwest (Mr. Church) told us last night and again to-day that the United States federal government, instead of waiting until the situation was at the fag end before taking action, called together the leaders of industry and of agriculture, and then they took action. Public works to the extent of $175,000,000 and road work to the extent of

$125,000,000 were started, and after the conference of those industrialists and agriculturists the inspiration came from the top for everyone in every vocation in life, industrial and agricultural, to try to take the slack out of the unemployment situation, the result being that leadership in the time of crisis made it much easier for the people of that country to carry on.

I want in my remarks to divide the question of unemployment into two parts—unemployment and underemployment. Unemployment in Canada is seasonal and also due to world conditions, but with us now—to a more marked extent than at any other time I can remember since coming to the house—is the under-employment situation, and I charge that this is directly due to the policies that are being carried out by the present administration. I will support that argument by bluebooks, statistics and figures which the government have been handing out to the public. Industry finds herself working two, three, four and five days a week, instead of a full week with a full pay envelope. Why is industry in this condition at this particular time? Because inroads are being made into the products of her manufacture from countries which, not satisfied with economic argument, are taking economic action whereby goods cannot enter their country but they are able to export goods to this country. I see that the Minister of National Revenue (Mr. Euler) is taking an interest in this debate, and before he leaves the house I should like to put on record a few figures with regard to importations, which are increasing as one year succeeds another and are replacing the handicraft of the artisans who are trying to find a livelihood in our Canadian industries. I will eliminate from these figures agriculture, vegetable and all animal products—I will deal with them later—and I will stick rigidly to the other schedules. The last leaflet that came to me from the Department of National Revenue is in my room, but I copied some figures from it and I am giving now the imports for the ten months ending January on all classes of commodities other than agriculture, vegetable and animal products.

Year	Value of Imports
1922	$ 432,000,000
1923	476,000,000
1924	552,000,000
1925	476,000,000
1926	549,000,000
1927	628,000,000
1928	654,000,000
1929	781,000,000
1930	807,000,000

Or almost double in those groups which are the basis of industrial production in this country. In spite of the fact that we have depression, that our people are not able to buy luxuries, that those who went down in the stock market have not the money to buy, our purchases from abroad have increased from $432,000,000 to $807,000,000 since 1922. In like manner our imports of everything for the ten months ending January of each year show a similar state of affairs. Ever since the policy of the present administration first got a start, there has been an increase right along the line of imports of those products which take away from the workingmen of this country the chance to earn a livelihood. I will not talk about wheat. Some hon. gentlemen profess to know more about wheat than some of the rest of us do. I will talk about something I know a little about that is in the agricultural line; I refer to fresh vegetables. In the production of fresh vegetables a great deal of work is required. Let us see what the picture is with regard to the imports for the ten months ending January:

Fresh Vegetables—Importations
10 Months Ending January

1922	$ 2,862,198
1923	3,071,268
1924	3,313,774
1925	3,528,026
1926	3,593,368
1927	3,949,578
1928	4,916,836
1929	5,615,891
1930	6,746,438

There is a steady increase without exception in regard to fresh vegetables; and I am speaking about something everyone knows about, just the simple things such as onions, carrots, potatoes and tomatoes. There is a steady increase in each and every year from $2,800,000 in 1922 to $6,746,438 for the ten months period ending January, 1930. This is the product of work which has been performed in another country and which has been shipped into Canada, thereby displacing the work of our own citizens who want to employ themselves in market gardening surrounding large centres of population.

Figures of a similar character are shown for vegetables of all kinds. In 1922 we imported vegetables of all kinds amounting to $4,075,575, and in 1930, $9,075,231. In other words, we imported two and a quarter times as much in 1930 as in 1922. That means two and one-quarter times less amount of work to be done in the market gardens surrounding our large centres of population, two and one-quarter times as much more unemployment, because, of necessity, these people who are thrown out of work as a result of these im-

portations come into the cities and make it more difficult for those already there to find work.

While this is going on with regard to our imports, we find that another element of employment is being destroyed due to a lack of policy on the part of this administration, due to the failure of the government to recognize what is actually happening in this country with regard to our exports. You hear hon. gentlemen talk about the export of raw materials and of finished goods, and of how much labour is incorporated in the goods that are finished and shipped out of this country. Some hon. members of this house who are wont to think only in terms of grain and live stock and agricultural produce will have something real to think about when I give them these few figures. Canada's export trade in animal products is disappearing; indeed it is hardly too much to say that in most products it has already disappeared. I have here a table showing the net exports or imports of animals and animal products for the years 1920 and 1929:

	1920	1929
Cattle (live) No. . .	234,663	162,100
Sheep and lambs (live) No. . . .	181,213	11,000
Beef, lbs.	63,364,000	26,530,000
Cheese, lbs.	142,287,000	114,000,000
Pork, lbs.	76,100,000	17,458,000
Mutton and lamb, lbs.	1,256,000	—3,829,000
Butter, lbs.	12,256,000	—34,528,000

—indicates imports.

The point I am trying to make is this: The difference between exporting grain and exporting animals and animal products is largely one of labour, or employment. I know it has also to do with the consumption of food, but a good deal of the difference is accounted for by labour. If these men who now flock to our cities were given a fair opportunity to stay on the farm and develop mixed farming, they would not concentrate in the urban centres, only to make the employment problem more acute.

In 1920 we exported 63,364,000 pounds of beef; in 1929 we exported 26,530,000 pounds. In 1920 we exported 142,287,000 pounds of cheese, and last year 114,000,000 pounds. Of pork, we exported in 1920, 76,100,000 pounds, and last year 17,000,000 pounds. Now I will give the figures with respect to mutton and butter; and the advocates of the New Zealand treaty will please note these figures very carefully. We exported in 1920, 1,256,000 pounds of mutton, and in 1929 our net exports were minus 3,829,000 pounds. I hope the giggler in the back row over there will convey to his constituents the significant of that minus figure, along with the next figure that I shall give. In 1920 we exported 12,256,000 pounds of butter, and in 1929, we imported 34,528,000 pounds.

The point I make is this: The difference between exporting grain and exporting these other commodities is very largely one of labour, and it is labour which is carried on the year round. Throw this labour out of employment by increasing exports of grain only, and they flock to the large centres of population to find work there, and if they are unable to find work there, they have to live on the municipality. This condition I say is chargeable to the lack of policy on the part of the administration, which has failed to prevent our markets being flooded with products which we are quite able to produce ourselves.

The dairy industry, as all hon. gentlemen know, is demoralized. These figures say so. But that is not all that suffers when the butter industry is more or less demoralized. Something else goes to pieces along with it. What is that something else? When the production of pork and the production of bacon for our home consumption goes down—the tourist trade is an extra consumption with which I shall deal later—our exports go down with it. Our exports of pork and pork products declined from 76,100,000 pounds in 1920 to 17,473,000 pounds in 1929, and that situation is due to the fact that we allow butter to come in here instead of ourselves being an exporter of butter and we have no buttermilk for hogs.

What do we find with regard to those countries that are at an advantage as compared with Canada? The hogs slaughtered for export in New Zealand reached 150,000 head during the year ended October 31, 1929, against 5,000 head in 1923-24. Again I say, the difference between producing and exporting grain, and producing hog and hog products, or producing cheese, is very largely one of labour, or employment, and the effect on the employment situation of the treaty with New Zealand, increasing, as it has, our imports from that country, has been most serious.

What are we going to do about it? How are we going to relieve the situation? I say that the only way to relieve the situation is, not by economic argument, but by economic action, and I ask this government to face the question fairly and squarely and not try to steer the people up a side alley, as they are wont to do, with regard, for instance, to divorce and liquor, and perhaps unemployment insurance. It is not unemployment insurance that this resolution speaks of; it deals with unemployment, so do not try to divert the

people's attention from what the real issues are, issues that are staring us in the face, and see to it that when the people have a chance to vote, they will vote on the record of this administration. Stop the political manoeuvring. Be a little fairer with the people who have sent you here to legislate for them, and give them a fair chance with other countries the world over. When I say other countries, I need only refer to the latest bulletin of the Dominion Bureau of Statistics, and quote one or two figures of the imports and exports of almost any country you may choose. I find, for instance, that from Czechoslovakia for the twelve months ended January, 1929, we imported $3,133,899 worth of goods, and in 1930, $3,828,018 worth; our exports to that country in 1929 were $1,843,522, and last year, only $606,000. Our imports from Germany jumped by ten per cent in 1930 as compared with 1929, and our exports to Germany declined from $47,000,000 in 1929 to $29,000,000 in 1930. These countries seem to have sense enough to take care of themselves. The United States, the same day that you make them a present of $10,000,000 of the excise taxes of this country, bring down a tariff measure which tends to shut off $75,000,000 of our exports to them. They have the sense to take economic action to protect their own interests. It is time that more of my free trade friends, even my friend from Weyburn (Mr. Young), woke up to the situation that Canada should take care of herself in fiscal matters.

Mr. YOUNG (Weyburn): Has my hon. friend any figures showing the total of our exports to and our imports from all countries?

Mr. CANTLEY: The tariff board will give you that.

Mr. BENNETT: The consumers league.

Mr. HARRIS: I have not the question very clearly in my mind, but I can give my hon. friend a ready reference.

Mr. YOUNG (Weyburn): I prefer to make the question clear to my hon. friend. He has quoted our exports and our imports to and from certain countries. Could he give us our total exports to all countries and our total imports from all countries? That would give us a better idea how we stand.

Mr. HARRIS: I do not know that I can, but the file is quite open to my hon. friend. I will give him information along a line that he knows something about—our exports of butter. He comes from a constituency that knows something about butter. Our exports of butter are not exports but imports of 34,528,000 pounds.

Mr. YOUNG (Weyburn): That does not prove anything at all.

Mr. HARRIS: It does prove that the butter industry of this country is demoralized.

Mr. YOUNG (Weyburn): It does not.

Mr. HARRIS: Beef, 26,530,000 pounds, plus. But nine short years ago it was 63,000,000 pounds. What is the answer to that?

An hon. MEMBER: More beef is being eaten in this country.

Mr. HARRIS: The answer to that is unemployment on the farms of this country during the winter months.

Mr. YOUNG (Weyburn): It means our teeth are more active.

Mr. HARRIS: Cattle, sheep and lamb: we exported this year 11,000. You could almost herd them in this room. Nine short years ago we exported 181,000. What about that? The answer is that the men who should be on the farm the year round helping at mixed farming are out of a job; they have to come to the city. If my hon. friend will take the statistics all the way through he will find the same situation.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILL

SECOND READING

Bill No. 46, to incorporate the Premier Life Insurance Company—Mr. Dubuc (Chicoutimi) for Mr. Mercier (Laurier-Outremont).

DIVORCE COURT FOR ONTARIO

The house resumed from March 28, consideration of the motion of Mr. Woodsworth for the second reading of Bill No. 20, to provide in the province of Ontario for the dissolution and the annulment of marriage.

Mr. J. GORDON ROSS (Moose Jaw): Mr. Speaker, at nine o'clock on Friday evening I was discussing the second reading of the bill, and had reached that point in my remarks where I was directing attention to the fact that in a great many cases before the Senate committee, paid agents were used to gather

evidence. I think that very often agents are used whose evidence might be questioned in courts of law.

Another point I intended to bring out was that anybody from the provinces of Ontario or Quebec who wished to procure a divorce through this parliament had first of all to go to a local lawyer, and then obtain an agent in Ottawa. Such procedure makes it more costly to obtain a divorce through this house than through a court of law. Further, if a divorce bill is turned down this year, the same bill may be brought up next year. If sufficient lobbying is not done it may not be passed the next year, and the result is that it has to be considered again and again. Had such a case gone to a court of justice and the judge ruled against it, it is questionable whether the case would be reheard. The judges in the divorce courts will not endeavour in any way to encourage divorce, and will conduct their cases in such a manner that the litigants must be very sure of their ground before instituting proceedings.

The committee of parliament in charge of divorce can rule only as to the dissolution of the marriage, it cannot grant alimony; it cannot rule on the disposition of the children, and no doubt in connection with many cases that come before the committee family troubles have arisen. For instance, the man in the case has proceeded against his wife for a divorce; she knows he no longer cares for her, and she will not contest the application. In such cases the divorce is granted, and the wife, who may be a mother is left without assistance for her children and with no way of gaining redress except by instituting action in some other court. On the other hand, if divorce proceedings in a case of that kind were taken in a divorce court, the disposition of the children, the settlement of alimony and sustenance for the family might be ordered. Evidence would be taken in camera, and the publicity experienced here would be avoided; the rules of evidence would be maintained as they are in the higher courts; decisions of those courts would be followed, and only the best evidence given by proper witnesses would be admitted; the king's proctor would be watching for collusion and cross-examining the witnesses; the interests of the petitioner and respondents would be protected, and no evidence would be given without cross-examination. These several things we avoid by having a divorce court, instead of bringing divorce before a committee of parliament and through the House of Commons.

For these reasons, Mr. Speaker, I intend to vote for the bill, and I hope it will pass as soon as possible.

Mr. GEORGE SPOTTON (North Huron): Mr. Speaker, I desire to say only a few words in connection with this bill. Hon. gentlemen may feel at ease; so far as I am concerned they will be able to register their votes tonight. Coming from the province of Ontario, I am more vitally interested in this question than I would be if I lived in another province, and I cannot understand why members from other provinces are so very anxious and in such a great hurry to thrust a divorce court upon Ontario before that province has spoken in the matter. Ontario is truly awakening. Six months ago in its rural communities not more than one person in a hundred was in favour of a divorce court, and after the passions that have been aroused have died down and the efforts of those who have tried to stir up the people have been forgotten, it will be found that in our rural communities not even one in a hundred will desire the establishment within the province of such a court.

Many harsh things have been said in the press and elsewhere in connection with this matter, but I think we should be able to approach it from the standpoint of information and fact. I find in a paper published in the city of Toronto, in connection with the recent vote on this bill, the following statement:

> One would think that the very fact of the insolent clerical interference would drive the Protestants together.

In other words, Mr. Speaker, because an eminent clergyman of another faith has spoken against a divorce court for the province of Ontario, without any consideration whatever I should simply turn and go in the opposite direction. That appeal, sir, will not stand in the province of Ontario; that statement is not worthy of the source from which it comes and entirely misrepresents the spirit and teaching of the people they are supposed to represent. The article proceeds:

> But the vote of last week proves either that they—

That is, we who dared to vote against the divorce court for Ontario.

> —are supremely indifferent to the menace of clerical control, or they have come under the influence of the Roman Catholic bishops and priests in their own constituencies.

It will be news to the people of North Huron to find that their member is talked about in this way. Now I desire, Mr. Speaker, to deal with this question as briefly as possible. I am going to ask our friends from western Canada to be very careful about sending such a cold, blighting blast to destroy all that is good and sacred in the homes of Ontario. You know, we in this province are accustomed to balmy breezes, and sometimes these cold blasts get in deadly work. I am going to ask our friends from the maritime provinces not to be in any hurry to force this bill upon a province that has not asked for it. For sixty-three years, ever since confederation, we have gone along in this manner, and I contend that no great harm could come if we passed through the sixty-fourth year without a change, in order to give the old province of Ontario a chance to make up her mind in this matter.

We find hon. members from other provinces saying they refuse to come here and waste their time discussing Ontario's affairs. Well, sir, I believe there are eighty-two members from Ontario and sixty-five from Quebec in this house; the one hundred and forty-seven members from these central provinces have not taken up as much time in this house as has been taken up by the representatives of two smaller provinces which I could name. This bill strikes at the root of our home life, and I am surprised that an hon. member of this house who toured my province preaching "peace, peace, perfect peace" during the recess, should come into this house with a shillalah in each hand, telling this house that unless we pass this divorce bill, whether it is right or wrong, he will hold up the business of the country. I think that is unbecoming to an apostle of peace; those are not peaceful methods.

When we in Ontario adopt this court we want to do it after mature consideration and with all the information and facts before us, instead of merely opinions. If this bill is good, whoever may have the honour of coming back to this house next year can pass it and not much harm can come to us in the meantime. But, Mr. Speaker, if we fasten this thing upon the province of Ontario; if we allow it to sink its fangs in deeply; if we allow the cancer to take root, we cannot pull it out easily a year hence. So, in the words of an old profesor of mine, I would say "When in doubt, don't." A number of arguments which have been brought forward will scarcely stand examination. In the old days young men—perhaps including some who are now members of this house—used to sit around the doorsteps of homes, perhaps in the province of Ontario or some other province, in spite of all that the man of the house could do, telling the daughter that they could not live without her and that they could not stay from her presence a moment. After they were married, however, and the knot was tied—in the words of Grattan O'Leary, "until death or divorce do us part"—they were not so anxious. Then they did not hang around so much; they started to look around for an excuse to be absent.

However, I will not develop that point; marriage is a legal contract and also a sacred contract. We have heard a great deal about the children; that is the great cry.

> There's not a monster bred beneath the sky
> But well disposed by art may please the eye.

I will let the editor of the Toronto Globe dispose of that argument—and I wish to pay my respects to that newspaper. As a life-long reader of the Globe I am free to say that on questions affecting the moral life of our province and the sanctity of the home it always has been sound and has placed its finger upon the pulse of the common people of that province. This is what the Globe has to say:

> Mr. Woodsworth and his associates are reckoning without their hosts. Ontario is the province concerned. The great majority of the people of Ontario have been reared in the atmosphere of old fashioned evangelical Protestantism. They will have much to say when they learn that facilities for easier divorce are to be foisted upon them at the request of the Senate and at the behest of radical members from the west.

Then it goes on to quote some of the weekly papers throughout Ontario, which are speaking loudly. The first paper quoted is the Simcoe Reformer:

> It will be difficult to convince the sane thinking citizens of Ontario that the time has come to adopt United States methods of severing the matrimonial bond. For instance, in southern California, with a population slightly larger than that of Ontario, the daily papers each morning carry a list of from 25 to 50 new applications for divorce. The average would be easily 200 a week, or as many as Ontario has at the present time in a year. True, living conditions are considerably different there and the standard of morality lower, but the tendency with the establishment of a divorce court in Ontario would certainly be toward a tremendous increase in divorces. The question resolves itself into this: Do the injustices inherent in the present system of parliamentary divorce outweigh the inevitable flood of applications, the consequent lowering of moral standards, and the breaking up of homes that would follow the institution of a divorce court? We think not.

Whether in Canada, Britain or the United States, increased facilities for divorce have

inevitably meant increased divorce. The irrefutable facts are against those who claim that the establishment of a divorce court in this province would have no other effect than to lower divorce costs. The divorce rate is right now alarmingly higher throughout the west, where divorce courts sit regularly, than it is in the province of Ontario.

The tragic feature of the arguments used by the advocates of easier divorce is that they ignore the rights and interests of those who are most harmed by the divorce evil—the children of the separated couples. Bad as is the present system in Ontario, it victimizes only a few hundred children per year. But if Mr. Woodsworth and his supporters have their way the children, now numbered in hundreds, will be multiplied to thousands. Are these children to have their whole lives marred because of the failure of their own parents to honour their own marriage vows? And what will be the effect on national life?

The article then quotes President Hoover, who states that the great majority of the youthful gangsters, gunmen and such, have been the victims of broken family circles in their earliest years. The article continues:

Mr. J. J. Kelso, superintendent of the children's aid branch of the provincial secretary's department, knows whereof he speaks. He says:

It would soon be found, as it has been clearly demonstrated across the line, that men would more readily seek divorce, not because of unfaithful wives, but because temporarily enamoured of a younger woman. I have known of instances where men have left their wives and children penniless in Toronto while they saved up money to go to Detroit and pay a clever lawyer to secure a divorce, the failure of the wife to appear being taken as a justification for granting the divorce.

It may seem harsh to say so, but the establishment of a divorce court would be giving legal force and respectability to a vicious principle under which innocent children would be robbed of their rightful heritage.

I submit that Mr. J. J. Kelso, who has made a life work of the study of neglected children, is an authority equal to that of any hon. member of this house. The editorial concludes:

It is for reasons such as these that the Globe does not believe that the people of Ontario will passively accept the loosening of the legal marriage tie. They will undoubtedly begin to seek ways and means of counter-attack. They will discover that the great driving force behind the desire for divorce is the desire to remarry —the desire to legalize an illicit relation regardless of the blight implanted in the lives of the children. And they will also discover that the parliament of Canada has power to prohibit remarriage of divorced persons; has power to refuse recognition to United States divorces; has power, in brief, to decree that those who refuse to live up to their own vows do not get the chance to break them legally for the mere purpose of making new ones equally empty.

It has been said that the cost of divorce will be cheaper and yet the number will not be increased. The Hon. G. N. Gordon, a former minister in this house, writing in the Toronto Globe, said that a divorce could be secured for $500. I know a man who is getting one for less than that. We were told the other evening by an eminent legal member of this house that it was a crime that applicants had to deposit $200 with the government of Canada, but he did not tell us that if the applicant was very poor he received $150 back, nor did he tell us that if he was in average circumstances, say earning $100 a month, he would have $100 returned to him.

Mr. PARENT: They receive more than that.

Mr. SPOTTON: It cost this man $100 to bring himself, his lawyer and two witnesses to Ottawa from Toronto, and he won his case in spite of his lawyer. If he paid that lawyer $50 he gave him all he earned. That man is getting by under the figure given by the lawyer member.

Reflections have been cast upon the committee of the other house, the insinuation being that it was composed of a bunch of incompetents. In looking over the names of the fifteen gentlemen who comprise that committee, I find five eminent lawyers, three eminent physicians and other men of high standing. We have it on the word of the chief justice of Ohio that a judge is not the proper type of man to try divorce cases. That learned gentleman points out that there is a sociological, psychological and ethical side to this matter which cannot be considered by a judge who has just given a judgment to Billy Wilson regarding the killing of a steer by the automobile of John Jones, and then immediately switching to divorce cases, and perhaps trying as many as twelve in one forenoon. He quotes an instance of one judge granting a divorce because the wife would not get up before daylight to prepare breakfast for her husband, while a judge in the next county refused a divorce to a man who claimed that his wife would not prepare any meals at all for himself or the children. A lawyer who has been a ward heeler and is appointed a judge is not in a better position to try such cases than is the honourable body which at present adjudicates upon these matters. Chief Justice Marshall

of the Supreme Court of Ohio has this to say:

It has sociological and ethical features requiring study and treatment of a sociological and ethical nature, which experience has fully demonstrated that courts are not designed to render.

And again he says:

We may therefore conclude that judges of the courts of general jurisdiction are not qualified either by training or by inclination to render decisions in divorce cases.

I will not weary the house with further reading, but that gentleman offers a suggestion that if a commission were appointed to give a sympathetic hearing to these cases, or to even one-fortieth of the 200,000 divorces issued annually, and inquire into the causes leading thereto, a solution might be found to lessen the divorce evil. Last year the Prime Minister told us that he would strive to do something in this regard, and I trust that he has something to report. When the business of the house was being held up last year, the Prime Minister said:

I gather that the hon. member for Winnipeg North Centre (Mr. Woodsworth) is of the view that by this time the government should see that this method of dealing with divorce bills is anything but satisfactory, or in other words that under the present method it is within the power of a few members of this house to block the entire business of parliament, if they so desire, in order to demonstrate their dissatisfaction with the prevailing system of granting divorces through the agency of private bills.

I would not like to think, Mr. Speaker, that the province of Ontario is going to have a divorce court thrust upon it by the members from other provinces, who have a fear that the business of the house will be held up. I submit that the province of Ontario deserves better treatment than that. Ontario and Quebec have always supported legislation which was considered vital to the west or the east, and I plead with these gentlemen not to be in a hurry to thrust this thing upon the province of Ontario. I know that my own county is unanimous in opposing the creeping into this country of such insidious conditions as we find to the south. The Prime Minister continued:

I will say to hon. members of the house that the government will continue as we have been doing to give very serious thought to this question: I could not promise that we will find a solution during this session of parliament, but I would express the hope that by another session, by conference in the interval with members of the house and by other methods, we may find it possible to effect some arrangement which will enable those seeking divorce to secure such redress as should be given them by a means which will commend itself more completely to parliament and avoid a recurrence of a situation such as we have at the moment.

Further down the Prime Minister says:

It being understood that between now and next session the members of the government and other hon. members of the house will do what they can towards finding some means of freeing parliament from the necessity of continuing to deal with divorce bills along the lines which we have followed thus far.

I would invite the Prime Minister to give us the result of his investigations and his thought in this matter. I am not going to detain the house longer.

Some hon. MEMBERS: Hear, hear.

Mr. SPOTTON: I notice the "hear, hear" comes from sources where a great deal of the time of the house is occupied. I have not occupied three hours of the time of the house in three years, but I am prepared to occupy time to defend the home life of my province. I ask the other provinces to go slowly in thrusting upon Ontario legislation for which she has not asked. Therefore, Mr. Speaker, I move, seconded by the hon. member for West Elgin (Mr. Hepburn):

That all the words after "that" in the motion be struck out and the following substituted therefor:

"this bill be not read a second time now, but this day six months."

The house divided on the amendment (Mr. Spotton) which was negatived on the following division:

YEAS

Messrs:

Arthurs,	Dussault,
Beaubien,	Embury,
Benoit,	Fafard,
Bettez,	Ferland,
Boivin,	Fiset (Sir Eugène),
Bouchard,	Garland (Carleton),
Boucher,	Gervais,
Boulanger,	Girouard,
Bourassa,	Goulet,
Bourgeois,	Guérin,
Bowman,	Guthrie,
Bradette,	Heenan,
Cahan,	Hepburn,
Cannon,	Howard,
Casgrain,	Jenkins,
Charters,	Lacombe,
Cotnam,	Lacroix,
Denis,	Laflamme,
Desaulniers,	Langlois,
Descoteaux,	Lapierre,
Deslauriers,	Lapointe,
Dionne,	Letellier,
Dubuc,	McGibbon,
Duff,	McIntosh,
Dumaine,	McMillan,
Dupuis,	Malcolm,

Manion,
Marcil,
Mercier (Laurier-Outremont),
Morrissy,
O'Connor,
Parent,
Peck,
Perley (Sir George),
Perras,
Pouliot,
Power,
Prévost,
Raymond,
Rhéaume,
Rinfret,
Roberge,
Robitaille,
Rowe,
Ryerson,
St-Père,
Sanderson,
Séguin,
Sinclair (Queens),
Smith (Cumberland),
Smith (Stormont),
Spotton,
Sylvestre,
Taylor,
Telford,
Tobin,
Totzke,
Veniot,
Verville.—85.

NAYS

Messrs:

Adshead,
Anderson (Toronto-High Park),
Anderson (Halton),
Bancroft,
Barber,
Bell (St. John-Albert),
Bennett,
Bird,
Bissett,
Black (Yukon),
Blatchford,
Bock,
Bothwell,
Bowen,
Boys,
Brown,
Campbell,
Casselman,
Cayley,
Chaplin,
Church,
Coote,
Crerar,
Dickie,
Donnelly,
Dunning,
Ernst,
Esling,
Euler,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Gardiner,
Garland (Bow River),
Geary,
Gershaw,
Glen,
Grimmer,
Hanson,
Harris,
Hay,
Heaps,
Hocken,
Ilsley,
Irvine,
Jelliff,
Johnston (Long Lake),
Kaiser,
Kellner,
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lang,
Lawson,
Lennox,
Lovie,
Lucas,
Luchkovich,
MacDonald (Cape Breton South),
MacLaren,
McLean (Melfort),
MacNutt,
Macphail (Miss),
McDiarmid,
McKenzie,
McPherson,
McQuarrie,
Maybee,
Milne,
Murphy,
Neill,
Pettit,
Plunkett,
Rennie,
Robinson,
Ross (Kingston City),
Ross (Moose Jaw),
Simpson,
Smoke,
Spankie,
Speakman,
Spence,
Spencer,
Steedsman,
Stevens,
Stewart (Edmonton West),
Stewart (Leeds),
Stinson,
Thompson,
Thorson,
Tummon,
Ward,
White (Mount Royal),
Wilson (Wentworth),
Woodsworth,
Young (Saskatoon),
Young (Toronto Northeast),
Young (Weyburn).—98.

The house divided on the main motion (Mr. Woodsworth), which was agreed to on the following division:

YEAS

Messrs:

Adshead,
Anderson (Toronto-High Park),
Anderson (Halton),
Bancroft,
Barber,
Bell (St. John-Albert),
Bennett,
Bird,
Bissett,
Black (Yukon),
Blatchford,
Bock,
Bothwell,
Bowen,
Boys,
Brown,
Campbell,
Casselman,
Cayley,
Chaplin,
Church,
Coote,
Crerar,
Dickie,
Donnelly,
Dunning,
Ernst,
Esling,
Euler,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Gardiner,
Geary,
Gershaw,
Glen,
Grimmer,
Hanson,
Harris,
Hay,
Heaps,
Hocken,
Ilsley,
Irvine,
Jelliff,
Johnston (Long Lake),
Kaiser,
Kellner,
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lang,
Lawson,
Lennox,
Lovie,
Lucas,
Luchkovich,
MacLaren,
McLean (Melfort),
MacNutt,
Macphail (Miss),
McDiarmid,
McGregor,
McKenzie,
McPhee,
McPherson,
McQuarrie,
Maybee,
Millar,
Milne,
Murphy,
Neill,
Pettit,
Plunkett,
Rennie,
Robinson,
Ross (Kingston City),
Ross (Moose Jaw),
Simpson,
Sinclair (Wellington North),
Smoke,
Spankie,
Speakman,
Spence,
Spencer,
Steedsman,
Stevens,
Stewart (Edmonton West),
Stewart (Leeds),
Stinson,
Thompson,
Thorson,
Tummon,
Ward,
White (Mount Royal),
Wilson (Wentworth),
Woodsworth,
Young (Saskatoon),
Young (Toronto Northeast),
Young (Weyburn).—100.

NAYS

Messrs:

Arthurs,
Beaubien,
Benoit,
Bettez,
Boivin,
Bouchard,
Boucher,
Boulanger,
Bourassa,
Bourgeois,
Bowman,
Bradette,
Cahan,
Cahill,
Cannon,
Casgrain,

Charters,	McIntosh,
Cotnam,	McMillan,
Denis,	Malcolm,
Desaulniers,	Manion,
Descoteaux,	Marcil,
Deslauriers,	Mercier (Laurier-Outremont),
Dionne,	O'Connor,
Dubuc,	Parent,
Duff,	Peck,
Dumaine,	Perley (Sir George),
Dupuis,	Perras,
Dussault,	Pouliot,
Embury,	Power,
Fafard,	Prévost,
Ferland,	Raymond,
Fiset (Sir Eugène),	Rhéaume,
Garland (Carleton),	Rinfret,
Gervais,	Roberge,
Girouard,	Robitaille,
Goulet,	Rowe,
Guérin,	Ryerson,
Guthrie,	St-Père,
Hall,	Sanderson,
Heenan,	Séguin,
Hepburn,	Sinclair (Queens),
Howard,	Smith (Cumberland),
Jenkins,	Smith (Stormont),
Lacombe,	Spotton,
Lacroix,	Sylvestre,
Laflamme,	Taylor,
Langlois,	Telford,
Lapierre,	Tobin,
Lapointe,	Totzke,
Letellier,	Veniot,
MacDonald (Cape Breton South),	Verville.—87.
McGibbon,	

Mr. MORIN: I was paired with the hon. member for East Toronto (Mr. Ryckman). Had I voted, I would have voted in favour of the amendment and against the second reading.

Mr. MERCIER (St. Henri): I was paired with the hon. member for West Hamilton (Mr. Bell). Had I voted, I would have voted in favour of the amendment and against the second reading.

Mr. CANTLEY: I was paired with the hon. the Minister of Marine and Fisheries (Mr. Cardin). Had I voted, I would have voted against the amendment and for the motion.

Mr. EDWARDS (South Waterloo): I was paired with the hon. member for West Middlesex (Mr. Elliott). Had I voted, I would have voted against the amendment and for the second reading.

Motion agreed to and bill read the second time.

SUPPLY—UNEMPLOYMENT

AMENDMENT OF MR. HEAPS TO MOTION FOR COMMITTEE

The house resumed consideration of the motion of Mr. Mackenzie King for committee of supply and the amendment thereto of Mr. Heaps.

[Mr. Spotton.]

Mr. HARRIS: I had not quite concluded my remarks at six o'clock, Mr. Speaker.

Some hon. MEMBERS: Louder.

Mr. HARRIS: I cannot speak half as loud as will be the answer the government will receive when next they face the country after the way they have handled the unemployment situation during their term of office. Unemployment is with us in this country, and will be with us as long as we are in this northern zone, but Providence, which has been so kind to this government in the last few years, will always send snow to the large centres of population to help those of our citizens in winter who find themselves out of employment. The great question that I emphasize is the under-employment which has been caused by the maladministration of this government—under-employment on the farms and under-employment in industry—because we are not exporting the products of the farm and because we are importing products that we can produce on our farms; under-employment because we are importing double the quantity of manufactured goods that we are well able to manufacture ourselves here at home. I say to this government, do not try to steer this issue up some side alley by saying that it is part of an unemployment insurance scheme or something of that kind. Face the issue, and face it fairly and squarely.

I see the Minister of Labour (Mr. Heenan) in his seat. He had his chance to speak, and I think he should have taken advantage of the opportunity to say what he has to say on this question before some of us on this side of the house were called upon to say a word or two. I hope that he will avail himself of the opportunity to speak to-night. As Peter denied his leader three times, so the Minister of Labour will have his chance to deny his leader to-night.

I see that the apostle of free trade, the hon. Minister of Railways and Canals (Mr. Crerar), is stretching himself a little bit. Now that he has left the scene of storm and strife on the prairies and come down to this haven for a little rest, it will be interesting to hear what he thinks of the hundreds of millions of dollars' worth of products that we import into this country which our own people are quite capable of producing; yet he is content to sit idly by and watch these goods coming in by the thousands of tons, displacing labour and employment in this country. The men who are out of work are not so much interested in unemployment insurance. What they ask is a fair day's work for a fair day's pay. Strong men of the north do not look for doles. They do not look for unemployment insurance.

They look for an opportunity to work and to provide for their dependents. We have heard in this debate of the thousands of unemployed and idle men. What about the wives and children of these men who are undernourished because of unemployment? Should not they receive some consideration from the Minister of Pensions? Why should pensions be thrown into the political arena? Why was not some other subject chosen? I say to him: At the last minute, just as you are going to the country, I would be very sorry to see you try to obscure the issue by making a political football of the returned soldier question. Face the country on the record of your administration for the past eight years, and do not, in collusion with your colleagues on the treasury benches, try to divert the attention of the electorate from your record by making an issue of a matter which should not at any time be thrown into the political arena.

I will conclude my remarks, Mr. Speaker, by quoting an editorial from one of the newspapers supporting the government, the Manitoba Free Press. In its issue of December 17 last I find the following:

> All that a government can do is to create a set of subsidiary conditions which permit the people to take advantage of their opportunities to the fullest extent possible.

THE ROYAL ASSENT

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:

> Mr. Speaker, His Honour, the deputy of His Excellency the Governor General, desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, the house went up to the Senate,

And having returned,

Mr. SPEAKER informed the house that the deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bill:

> An act for granting to His Majesty certain sums of money for the public service for the financial year ending the 31st March, 1931.

SUPPLY—UNEMPLOYMENT

AMENDMENT OF MR. HEAPS TO MOTION FOR COMMITTEE

The house resumed consideration of the motion of Mr. Mackenzie King for committee of supply and the amendment thereto of Mr. Heaps.

Mr. HARRIS: Mr. Speaker, when the interruption occurred we had a good representation on the treasury benches. That representation is at the present time somewhat depleted, but there are one or two ministers remaining. I want to draw to their attention some of the difficulties which obtain due to recent enactments. The Minister of Justice is in the chamber—

Mr. LAPOINTE: The Minister of Justice is always in the chamber.

Mr. HARRIS: When the bell rings for the next election you will have a little more syrup to hand out to your constituents.

Mr. LAPOINTE: Maple syrup?

Mr. HARRIS: There will be a little more cream left for you; they will not allow it to go to the country to the south, a country which economically is penetrating Canada to such an extent as has never before been known. Not only has that country penetrated Canada from an economic standpoint, but it is throwing out ideas which are being absorbed by our younger generation through reading American magazines and books. What is the government doing about it? The government is doing nothing to stop this economic penetration; it is doing nothing to stop the adoption of American ideals in this country. It is allowing the United States to send in vast quantities of products manufactured by them, products even of their farms and market gardens.

When the interruption occurred I was proceeding to read from the columns of the Manitoba Free Press. I quote:

> All that a government can do is to create a set of subsidiary conditions which permit the people to take advantage of their opportunities to the fullest extent possible. There will be no argument that Mr. King and his government have done so.

Of course there is no argument that they have done so. They have not only failed to create such a set of conditions as the Free Press declares it to be their duty to create, but they have brought about and encouraged an opposite set of conditions under which foreign capital is enabled to exploit Canadian resources with foreign labour in foreign countries, and then to exploit the Canadian market with foreign manufactures. From such a source as the Manitoba Free Press, the rebuke may be judged the most severe one which has been administered to Mr. King and his cabinet.

The unemployed are not among those who lost heavily in the stock market crash; they are not among those suffering from the wheat blockade. Those who lost in the stock market were able to buy their Rembrandts, their radios and their Turkish rugs. It is such men

as the 1,132 who were lined up at the soup kitchens in Montreal the other day who are interested in unemployment. They are our kith and kin who demand the opportunity to be gainfully employed in order that they may be able to sustain their families.

We must have for this country a policy which will provide work for the minds and hands of all kinds and classes. Such a policy will never be forthcoming under the maladministration we have witnessed during the last eight years—take another drink, Mr. Minister of Labour—with ministers almost denying their leader, one minister in one direction, another in another; with ministers who will not act when they have the opportunity. In my opinion it has not been a fair "shake" for the workingmen of this country.

In conclusion I ask this government to face the issue fairly and squarely when the time comes, and not try to turn it up some side alley.

Hon. PETER HEENAN (Minister of Labour): Mr. Speaker, I am not going to attempt to follow the last speaker, because I was not aware that we were in the throes of an election; I did not know we were preparing for an election at the present time. At any rate, I am glad to know that the hon. member reads the Manitoba Free Press and believes in some of the ideas expressed therein. I hope he will always follow, believe in and quote from the Free Press, especially during the next and every other election.

I thought we were discussing the amendment to the motion to go into supply, which was moved by the hon. member for North Winnipeg (Mr. Heaps), and I desire to congratulate the hon. member for bringing up this very important matter on the floor of the house. I have no doubt that the purpose of the amendment was to enable a discussion to take place with regard to this very important question of unemployment, and great credit is due the hon. member for the moderate language which he used, which indicates his sincerity of purpose in bringing this matter to the attention of the house.

During the course of his speech the hon. member for North Winnipeg asked, among other things, that something should be done immediately for the unemployed. I might state that the purpose of the motion to go into supply was to secure funds with which to carry on public undertakings and let further contracts which would aid the unemployed.

Mr. BENNETT: The Prime Minister said the estimates of the Department of External Affairs were to be considered.

[Mr. Harris.]

Mr. STEVENS: We have just granted two months' supply, so you can go right ahead.

Mr. HEENAN: Another matter strongly advocated by the hon. member for North Winnipeg was unemployment insurance, and in that connection he quoted from my remarks as contained in the London Advertiser of March 15 and asked me to explain my position. I desire to take this opportunity of making my position clear, if it is not clear already. First let me say to hon. members who are advocating unemployment insurance that their appeal is no stronger than the appeals I made on the floor of the Ontario legislature when I was a member of that house. I thought at that time, and still think, that that was the proper place to advocate a contributory unemployment insurance plan.

When the hon. member for North Winnipeg brought this matter before the house a couple of sessions ago and asked that it be referred to the committee on industrial and international relations, no objection was raised by any member on either side of the house. That committee met and worked diligently in connection with this matter, and a report was brought in directing the government to refer the question to the provinces. Last session again the hon. member brought in a similar resolution asking that the question be referred back to the same committee. That was done, and after a good deal of hard work the committee arrived at certain conclusions which they brought before the house in their final report. They endorsed the principle of a compulsory contributory plan of unemployment insurance, but stated in effect that they had received the views of the law officers of the crown, which were that it was a provincial matter. The recommendations made by that committee were brought before parliament, and parliament adopted the report. It is true that an amendment was offered by the hon. member for North Winnipeg which, if it had been adopted, would have asked the provinces to pass legislation giving up their rights in this respect. That amendment was defeated by a very large majority.

The report also recommended that the government, at the next Dominion-provincial conference, place this matter on the agenda and bring it before those attending the conference. This government did not wait for such a conference to be called; as soon as the report was printed it was sent to the provinces in order to ascertain their views. I think everyone will agree that it is far better for the provinces to have time to consider such an important matter as the adoption of

an unemployment insurance scheme before discussing it at any conference.

Unemployment insurance will be adopted in Canada only after public opinion has been educated to the necessity for such legislation. The unemployment insurance scheme in effect in Great Britain has been so very much misrepresented in Canada that our people have not yet a true understanding of what unemployment insurance really means, or of the system which is in vogue in England. It has come to be represented in this country merely as a dole. Then again, some newspapers in this country have taken the position that there is no use discussing the question of unemployment insurance in Canada until it is known what system is in the minds of those who advocate it. Personally I am very much interested in some definite, permanent plan which will give something to our unemployed so that they will not need to look for relief every winter or during every season of unemployment. I took occasion at London to tell of a plan which I had in mind, in order to stir up public discussion and help form public opinion.

In this case public opinion certainly must include the working men, because if the working men are to be compelled to contribute part of their wages to any such scheme, of necessity they must know what is in view and what they will be expected to do. I know a number of working men—and I have known more since I made my remarks at London—who oppose a contributory system of unemployment insurance. Many claim that the employer should stand the whole cost, so that in a country like Canada it is necessary first to form public opinion along these lines. In view of that, and in view of the fact that this parliament has spoken already in regard to this matter, my remarks can apply only in the light of what parliament already has said. Parliament has not said that the federal government should contribute to any plan of unemployment insurance. My statement at London, and I thank the hon. member for North Winnipeg for reading from the Advertiser, because I have myself referred him to that paper—was very plain in that regard. I claimed that a simple method could be worked out which would apply to the railroad men much more readily than to the men in any other industry, and I said:

> A system could be inaugurated in this country which would be suitable to Canadian needs. Take, for example, our Canadian railroad workers—in the summer time there are upwards of 200,000 men employed, and during the winter periods there are about 25,000 of those workers laid off for several months. The wages of all railwaymen average about $130 per month. If a fund were created, it would take about $5,000,000 to pay these employees half-pay for three months,

I had not in mind a plan which would operate for twelve months of the year, but rather one which would apply to the winter season. My remarks at London continue:

> —say January, February and March; the employees contributing about one per cent of their wages and the railway companies the balance. This would not be too hard on either, and, if necessary, the governments could assist.

In the light of what has occurred in this parliament, and in the light of the opinions given by the law officers of the crown, I could not mean anything else but the provincial governments. I went on to say that this system could be extended to every line of industry.

Mr. STEVENS: That is a very sharp corner.

Mr. HEENAN: Some hon. members on the other side of the house know what sharp corners are.

Mr. STEVENS: We see the minister running around them.

Mr. HEENAN: Even if it is a sharp corner, it is better to go around it than to say nothing at all. I am not afraid.

Mr. MANION: Especially when you can back up afterwards.

Mr. HEENAN: My remarks continue:

> This system could be extended to workers in every industry and would provide a permanent system.

I agree with my hon. friend from North Winnipeg that the workers are entitled to a permanent system. I then said that the House of Commons had endorsed such a system. My hon. friends will notice that I did not confine myself to saying the Liberals had endorsed this system, but I included my hon. friends in that endorsation. I then stated:

> Parliament has also declared it is a provincial matter, and the government has taken the matter up with the provinces, but notwithstanding the fact that it is a provincial obligation, the Prime Minister has stated that if the provinces so desire his government is prepared to cooperate with them in establishing a uniform system.

I could not go beyond the limits set by my leader, who, on February 27, in answer to a question from the member for Winnipeg North Centre said:

> My recollection is that a special committee of this house considered this question last session and brought to the house a report to

the effect that unemployment insurance was necessarily a matter with which provincial governments rather than the federal government would have to deal. I think I expressed the view yesterday that in my opinion a system of unemployment insurance would be a constructive way to deal with the unemployment problem, to which system not only the employer and the governments concerned would contribute but the worker also. If the provinces make a move in this matter and it appears that the federal government can be of assistance in helping to bring about uniformity as between the provinces of any plan proposed, or can cooperate in other ways in any discussion on the subject, we shall be glad upon invitation to take the matter under consideration.

During the course of my remarks at London I said that I would do my utmost in this regard, and I propose to stand by that statement. So long as I remain in public life I intend to work to the end of providing a solution to this unemployment problem. It may be that I become too enthusiastic about these things. I remember after the Old Age Pensions Act was passed that I went through this country from coast to coast speaking to members of the different provincial governments and upon different platforms in an effort to arouse enthusiasm for this measure in the provinces. Many letters came to members of the government and several editorials were written asking the Prime Minister to keep his Minister of Labour at home where he could mind his own business. My hon. friends across the house prophesied that the Old Age Pensions Act would not benefit any one man or woman in Canada because no province would desire to participate in the plan. They were mistaken in their forecast because I am glad to state that about 35,000 old men and women of this country are receiving benefits through the provisions of that act.

Mr. BENNETT: How many?

Mr. HEENAN: I think it is about 35,000, although I may be one or two thousand out.

An hon. MEMBER: How many provinces are participating?

Mr. HEENAN: The majority of the provinces, and three more are now considering the matter.

Mr. GEARY: I am glad you follow the lead given by the hon. member for Winnipeg North Centre.

Mr. HEENAN: This amendment asks that the government should take immediate steps to deal with unemployment. The government is asking for supply in order to start the construction of public works. The question has been asked, what is the government doing to relieve unemployment? I remember when my hon. friends across the way were in power one principle enunciated by them was that work should be given and not relief. We propose to give as much work as possible to take care of the unemployed. We are doing something now, and all last winter we put on a large program of public works, much of which might have been postponed until a more favourable season. We urged the railroad companies to go ahead with their program of extensions and their orders for supplies, equipment, et cetera, and I think it is generally acknowledged throughout the country that the Canadian National went ahead with a good deal of work that might very well have been deferred until a more favourable season.

We have also contributed something in our immigration policy. Contrary to what my hon. friend across the floor would say, by order in council we prohibited employers of this country from going over to European countries and bringing in contract labour.

Mr. STEVENS: Has that not been the law for many years?

Mr. HEENAN: No.

Mr. STEVENS: I am pretty sure it has. You cannot bring anyone into this country by contract.

Mr. HEENAN: They were brought in by the thousands when my hon. friends across the floor were in power.

Mr. STEVENS: I think the minister is astray.

Mr. HEENAN: They are bringing them in to-day, but we do not catch them all. Only recently we had to consider the question of letting a contract to build a ferry in this country. The government could have had that ferry built in Great Britain for about one-half the cost that we are going to expend on it in Canada. In order to give employment to Canadian workers we will expend far more than a million dollars extra on that particular work. We are now putting into operation the eight-hour day for government employees. We are also, with the consent of hon. friends opposite, putting into operation the eight-hour day in connection with all public works and public contracts.

Mr. GARLAND (Bow River): Could the minister give the house the actual cost of labour involved in constructing that ferry?

Mr. HEENAN: The contract is away over $2,000,000. There is also the fact that during

last winter we contributed in the neighbourhood of $600,000 for unemployment relief for war veterans. I am not saying we should not have done that; I am just telling the house some of the things we have done. Hon. members will realize that the passage of the War Veterans' Allowance Act will also contribute a considerable amount next winter towards the relief of unemployment.

I notice that the hon. member for North Winnipeg (Mr. Heaps) was very moderate in his language; there was not a semblance of politics in his whole speech. But such was not the case with hon. members who spoke from the Conservative side, and I did not expect it would be, because one realizes there are very few questions, whether it be mothers' allowances, workmen's compensation or any other humanitarian piece of legislation, out of which they will not endeavour to make political capital. They have discussed the question of federal responsibility; they have talked about unemployment and its causes, the tariff, immigration, and so forth, and have stated that the Dominion government should have contributed something towards the excess cost in the municipalities. It might be well to review the history of unemployment relief measures in this country. During the years following the war, when unemployment was prevalent throughout Canada, there was a cry for financial assistance not only from one or two provinces, but from every municipality and every province, and the federal government rendered financial aid. The policy of the government at that time was declared through the Minister of Labour in a letter dated the 14th of December, 1920. It was addressed to the Hon. Walter Rollo, Minister of Labour in the Ontario government, and in this letter I find the following statement:

> The situation should be met to the utmost possible extent by the provision of work instead of the provision of relief.

He stated further on in the letter:

> I feel sure the provincial and municipal authorities will join in to provide a substantial amount of employment and in this way the situation should be materially relieved.

A little further on he said:

> Every possible effort should be made to avoid the necessity of any other form of relief.

And in another part of the letter we find this statement:

> Should, however, the emergency relief measures become necessary by reason of utterly unavoidable shortage of employment, the federal government is willing to cooperate.

And he outlines a system of cooperation of paying one-third of the excess cost over normal construction. But all the way through his letter he emphasizes local, municipal responsibility. Everyone knows that the system which was put into vogue at that time was neither equitable nor satisfactory; because hon. members will readily understand that when there is an offer of excess cost over normal construction, it is only the provinces that have large construction work to do and only the municipalities that are financially strong enough to put on a program of construction work, that can take advantage of this. Therefore, the majority of the provinces or of the municipalities did not participate in any such scheme.

The hon. member for Fort William (Mr. Manion) will possibly be making a speech in the house on this subject, but I notice that in Winnipeg he made a speech in which he took exception to my statement that unemployment was primarily a municipal responsibility and, secondly, a provincial responsibility.

Mr. IRVINE: If these matters of importance to labour be provincial responsibilities, what is the use of the position which the minister now holds? How can he justify to the workingmen of Canada the $14,000 paid to the minister if he cannot do anything?

Mr. HEENAN: My hon. friend knows it would embarrass me to tell of all the good works the Minister of Labour does, so that if he is really desirous of ascertaining what the value of this position is, I would advise him to ask the labour men of Canada, the men who urged the establishment of the Labour department of this government.

I was saying that the hon. member for Fort William took exception to my remarks, at least as reported in the press. I could not understand his objection when I read it because I recall that the hon. member for Fort William was a member of the cabinet in 1921 and on October 7 of that year, some time after he had been sworn in, an order in council was passed dealing with this important question, from which I quote this paragraph:

> Unemployment relief always has been, and must necessarily continue to be, primarily a municipal responsibility, and in the second instance the responsibility of the province.

Mr. STEVENS: If the minister will permit me, did not the government of the day contribute one-third of the cost to assist the provinces in the relief of unemployment?

Mr. HEENAN: I think my hon. friend from Vancouver Centre (Mr. Stevens) was also a member of the cabinet at that time.

Mr. STEVENS: And we contributed.

Mr. HEENAN: I was giving my hon. friend the enunciation of their own policy as it appears in the order in council. I will read it again so that there may be no misunderstanding:

Unemployment relief always has been, and must necessarily continue to be, primarily a municipal responsibility, and in the second instance the responsibility of the province.

Mr. STEVENS: May I ask that this document be read in full, Mr. Speaker? It is a public document, and when public documents of that character are quoted we are entitled to have the full text.

Mr. HEENAN: I intend to read it. I would like to read it over and over again, because I get inspiration from it.

Mr. STEVENS: You need it badly.

Mr. HEENAN: If I have made any mistake at all, it is where I have been following in the footsteps of my hon. friends opposite.

Mr. MANION: You have followed nearly everybody else's footsteps in the country at different times.

Mr. HEENAN: Sometimes I catch up to them.

Mr. STEVENS: We are entitled to have this document read.

Mr. HEENAN: I will read it in a minute or two. It is good reading.

Mr. SPEAKER: The minister has already stated that he intends to read the order in council.

Mr. HEENAN: Before I read it, I want to say to my hon. friend from Vancouver Centre and to the hon. member for Fort William, who, as reported in the press, assailed the government in Winnipeg and said that unemployment relief was a federal responsibility—

Mr. MANION: May I just correct my hon. friend? I said that it was a joint responsibility of the municipalities, the provinces, and the Dominion. I have right here the clipping from the press. That is the same statement that I have made on different occasions, and I adhere to it.

Mr. HEENAN: I think at this juncture, I had better read the order in council, because it is an interesting document. It is P.C. 3831, dated October 7, 1921, and reads:

The committee of the privy council have had before them a report, dated 5th October, 1921, from the Minister of Labour, submitting that the problem of unemployment, and means best calculated to relieve it, has been receiving

[Mr. Stevens.]

constant study and attention since about December, 1920. On December 14, 1920, a federal relief policy was announced, the object of which was to aid responsible municipal authorities to fairly meet existing needs and prevent suffering to any citizen willing to work but unable to obtain employment. It provided for payment by the federal government to any municipality of one-third of the amount disbursed by the municipal authorities for unemployment relief—

Mr. STEVENS: That is an inspiration for you.

Mr. HEENAN: There will be a few more inspirations before we get through.

Mr. STEVENS: That is an inspiration this government needs, too.

Mr. HEENAN: It is good reading. I will repeat that sentence:

It provided for payment by the federal government to any municipality of one-third of the amount disbursed by the municipal authorities for unemployment relief, together with a proposal that provincial governments join in on an equal basis. The federal government's disbursements for this purpose since January, 1921, have been over $600,000. Many gratifying expressions of appreciation have been received, in most cases accompanied by the suggestion that employment should be provided instead of paying unemployment doles. Since July 13th the Department of Labour has been in communication with provincial governments, mayors of municipalities and others as to improved methods of dealing with the situation next winter.

It was suggested to the provincial governments that, inasmuch as the extent of unemployment, as well as possible remedies, varied in different provinces, a provincial survey by conference or otherwise might be made by each provincial government, after which a conference of provincial representatives might meet with the federal government to discuss the problem and devise some general plan of assistance to the municipalities, upon whom the duty and responsibility of dealing with relief primarily rests.

Three provincial governments only have thus far signified concurrence in the suggestion for a central conference of provincial representatives, two of which desire the representation to extend to organizations other than governmental.

I would ask my hon. friends who are clamouring for a conference to listen to the next sentence:

Inasmuch as a federal conference with wide basis of representation would be both cumbersome and expensive, of doubtful value, and, thus far, only approved of by three of the provincial governments, and, further, because of the necessity of early decision and action, if useful service is to be rendered, the minister recommends that the following federal policy of basic principles on unemployment be approved.

1. Unemployment relief always has been, and must necessarily continue to be, primarily a municipal responsibility, and in the second instance the responsibility of the province.

2. That because of the present situation being due to causes beyond the power of local, or even national control, provincial and federal governments should cooperate with municipal authorities

So the situation had got beyond local control, beyond provincial control, beyond even national control. Before I get through I will examine the present situation to see if it is as bad as the situation prevailing in 1921.

Mr. MANION: Much worse.

Mr. HEENAN: It continues:

in,

(a) helping to create and provide employment.

(b) where employment cannot be furnished to workmen who are willing to work, to aid in providing food and shelter for themselves and dependents until the present emergency period is past.

3. That federal funds used for unemployment relief or for relief work must be disbursed only through responsible municipal authorities, who in each case shall bear at least one-third of the total or extra cost.

The minister further recommends that the federal government agree to participate in the cost of work provided by municipalities to relieve unemployment on the following basis:

(a) Municipalities to bear the normal cost, that is to say, the cost of carrying on the said work in the normal working season.

(b) Estimate of normal cost to be approved by federal government's engineers in the Department of Public Works.

(c) That municipal, provincial and federal governments bear equally and jointly the actual cost over the estimated normal cost, thereby encouraging the creation of employment where possible.

(d) That where work cannot be provided the federal government continue to refund one-third of the disbursements actually made by a municipality for unemployment relief, conditional upon the provinces participating on an equal basis.

Then:

The committee concur in the foregoing recommendations and submit the same for approval.

Mr. MANION: Why did you not copy that yourself?

Mr. HEENAN: I will explain that before I get through.

Mr. STEVENS: That is a real inspiration.

Mr. HEENAN: If my hon. friends will only possess their souls in patience for a little while I will tell them why I did not do it. I wonder why the member for Fort William takes me to task so seriously for imitating what the government of which he was a member initiated at that time.

Mr. MANION: Not at all. We absolutely offered to help in every way, and did help; but you refused.

Mr. HEENAN: They said that it was first a municipal and then a provincial obligation pure and simple. I wonder why, for instance, they did not take Premier Ferguson to task?

Mr. MANION: Because Premier Ferguson helped in many ways. I was with the deputation from northern Ontario that interviewed him. He assisted us. He did not put us off with the hot air that we get here.

Mr. HEENAN: The hon. member for Fort William did not come down here.

Mr. MANION: Yes, I was on the deputation and listened to the Prime Minister's remarks, which he says now mean nothing.

Mr. LAPOINTE: Order.

Mr. MANION: Order yourself.

Mr. LAPOINTE: You have already made three speeches.

Mr. MANION: You often make too many yourself.

Mr. HEENAN: Let me quote what appeared in a press despatch of January 24, 1928:

Hopes for unemployment relief from the provincial government were blasted at the meeting of the York township council yesterday. A letter written by Premier Ferguson, in answer to an appeal sent from a recent session of the council, made it plain that the province was not prepared to take any such action. Premier Ferguson stated in his letter "that unemployment is an entirely municipal affair". "It would not be just," he said, "to use the money contributed by the whole province for purely local relief. The municipality derived the benefits from the working men in times of prosperity and should be prepared to bear the burden when times were not so bright." He added, "The only time when the province had rendered any such assistance was just following the war."

I have heard my hon. friend take the premier of Ontario to task for that statement. I think probably the public would expect the Dominion government to take more notice of the representatives of the provinces with respect to their requirements than of gentlemen who are not elected to represent the provinces. In this connection I should like to remind my hon. friends—

Mr. CAHAN: Do not members of the House of Commons represent their respective provinces?

Mr. HEENAN: I did not mean it just in that way. I think the public of Canada would expect the federal government to take more notice of the representations of the provincial premiers as to the requirements of the prov-

inces than they would even of the members in the federal house who are not elected for provincial matters.

Since all these things took place we have had a Dominion-provincial conference in Ottawa, and the question of the Dominion contributing unemployment relief was on the agenda for discussion. I should like to read from the blue book the result of that conference.

An hon. MEMBER: What date is that, 1927?

Mr. HEENAN: Yes.

The question of unemployment relief was but briefly dealt with. With the possible exception of Manitoba, no speaker urged federal aid in this direction. Several of the representatives in fact were of the opinion that unemployment relief on any fixed basis was simply an encouragement to unemployment. The representative from Manitoba, however, cited the case of Winnipeg, where at times by reason of itinerants wandering in unemployment was frequent, though labour conditions were fairly uniform. He believed that if the Dominion government did not undertake to bear any share in the cost of looking after these strangers, it should establish a depot for the relief of those who drifted in from the outside.

That is a pronouncement on this question by the premiers of the provinces.

Mr. CAHAN: That is three years old.

Mr. LAPOINTE: That is not very old.

Mr. HEENAN: Yes, we are all getting older.

Mr. CAHAN: Unemployment is increasing.

Mr. LAPOINTE: The principle is the same.

Mr. HEENAN: I find again this year—this is not three years old—that Premier Ferguson made another statement. On January 24, 1930, he had this to say.

Our unemployment problem is spotty in various sections of the province; it centres chiefly in Toronto; but we are paying the one-third excess cost to municipalities, which seems to be meeting the situation.

There was no complaint from the provincial authorities of Ontario that they were not meeting the situation, but simply a bald statement that they were contributing one-third, and it was meeting the situation. I have not heard my hon. friend from Fort William say anything about that.

Mr. MANION: I repeat, Mr. Speaker, that the premier of the province assisted northern Ontario when we came down and asked for help. I was on the deputation and know what I am talking about.

Mr. LAPOINTE: Repeat that later on.

[Mr. Heenan.]

Mr. HEENAN: Neither have I heard my hon. friend nor any of his colleagues say anything with respect to the statement made by Premier Tolmie of British Columbia. In a despatch dated Victoria, February 6, 1930, he is reported as follows:

I am not in a position to say anything about the unemployment situation here.

He added:

The responsibility of caring for destitute people rested primarily with the municipalities.

That is the opinion expressed by the premier of British Columbia.

Now, Mr. Speaker, I have been criticized in some quarters for not calling a national conference—

Mr. PRICE: You are repeating what you said before.

Mr. HEENAN: I beg your pardon?

Mr. SPENCER: The minister just stated that at the Dominion-provincial conference Manitoba was the only province which did not accept responsibility for unemployment. I think he knows quite well that Alberta refused to accept full responsibility, and was of the opinion that the federal government as well had some responsibility in the matter.

Mr. HEENAN: I did not say anything about the position taken by any of the provinces; I read from the reports of the proceedings of that meeting, and so far as I am concerned it speaks for itself.

Mr. SPENCER: But the Minister of Labour has in his possession a statement made by the premier of Alberta, which I sent to him only a few weeks ago.

Mr. HEENAN: Yes, and the premier of Alberta has this report also.

Mr. GARLAND (Bow River): What was the last statement on this question made to the minister by the premier of Alberta?

Mr. HEENAN: I forget what it was but it was not in accordance with this report. I happened to be present at the conference also, you must remember.

I have been criticized by some hon. gentlemen opposite for not calling a national conference, which to me is a very serious question. I feel that to call a national conference during a season when unemployment prevails is not going to help that unemployment very much. I can imagine municipalities and provinces, which might have work in contemplation or actually undertaken, holding up that work for a while and coming to Ottawa to find

out who was to pay for it. Our Conservative friends, in their order in council, stated that such a national conference would be at any rate of doubtful value.

Hon. gentlemen want me to follow the example set by the United States; in fact it has been stated on the floor of the house that the government could very well emulate what President Hoover has done. I want hon. gentlemen to know that so long as I am in public life I propose to do what I think is best for the working men of Canada, whether or not it follows what has been done in the United States. I wonder if hon. gentlemen realize that when that conference was called at Washington and the unemployment and distress were shown, one of the first things asked of the labour representatives was whether they would promise not to ask for an increase in wages or for better conditions. I want to say that before I would take the responsibility of calling a conference to do that to the workingmen of Canada, I would want to know that I had the majority of those working men behind me. If you have followed what has been going on in the United States you will know that the conference has not had the result claimed by some of my hon. friends. I thought I knew whether or not I was doing what the majority of the labour men of this country wanted me to do when I did not recommend to my colleagues the calling of a national conference, and I was glad to know, as I am sure my hon. friends will be, that when the Trades and Labour Congress of Canada representing the majority of the workers of this country, met here, our action in not calling such a conference was endorsed.

I am not going to follow the system advocated by my hon. friends with respect to unemployment when they were in power. I well remember reading in Hansard of one hon. member who stated in 1921 that the cause of unemployment was that industries were becoming insolvent and therefore could not give work, and it was stated that the reason they were becoming insolvent was because the working men would not give a fair day's work. I remember those words very well, and I am sure every person in Canada who was interested in labour never will forget them.

Mr. CANTLEY: Who said that?

Mr. HEENAN: I will give the name of the hon. gentleman and the page in Hansard after a while, so my hon. friend can read it for himself. I hope, however, that hon. gentlemen opposite will have changed their minds in that regard after having been out of office for such a long time. The same hon. member said that the only cure for unemployment would be to go through a period of depression such as the country was going through at that time. I am not going to adopt that position with regard to the unemployment situation.

When I was interrupted a short time ago I was going to say that some hon. members had misunderstood or misinterpreted my statement with regard to unemployment. It was made to appear by some of my hon. friends that I was unsympathetic and did not really realize that there was unemployment in this country. I want to point out that at the time I made my statement I was dealing with the request to call a national conference. During my statement I not only acknowledged that there was unemployment but advocated a means of alleviating that condition. I went on to point out that the federal government was undertaking a large program of public works and that we were asking the railway companies to do the same thing, and I stated that if the provinces and the municipalities would follow that example it would relieve unemployment to a certain extent. It is true that I quoted some statistics to show the amount of employment in this country as compared with that in the United States, but I am afraid those figures did not suit some of my hon. friends, because they adopted the slogan "statistics do not feed hungry stomachs." It appears to me that those figures were too strong for my hon. friends to stomach. The statistics are there; they were not gathered for that year particularly but have been gathered for many years past from the same sources. The statistics at that time, and up to February 1, showed a comparatively greater number employed in Canada than in the United States.

Mr. PRICE: I should like to ask the minister whether it affects Canadians or Americans when he speaks about unemployment in the United States. Is it a matter of chasing Canadians back home or is it a matter of putting Americans out of employment? Answer that.

Mr. HEENAN: I am not going into statistics to-night, although I have them here if it is necessary.

The Prime Minister was criticized when he made his speech for saying that the country was in a prosperous condition, and for quoting from statements made by the heads of financial institutions. I am not going to quote from such statements, but I am going to quote from the statements made by premiers of our provinces as to what condition those provinces were in at the end of 1929.

Beginning at Prince Edward Island, this is what Premier Saunders had to say:

The island is, however, prosperous. Nineteen twenty-nine has been a successful year. In agriculture and its branches of stock raising and dairying, much progress has been made.

Then he goes on to say:

We look forward to the year 1930 with confidence and optimism. Our people, in common with Canadians generally, are conscious of the urge resulting from a sense of past achievements and the promise of a great destiny in store for Canada.

Premier Rhodes of Nova Scotia made this significant statement:

There has been a distinct improvement in conditions surrounding our steel-coal industry and prospects for stabilized winter employment are most promising. Real progress has been made in the development of mines other than coal mines, notably at Stirling in Cape Breton, where the zinc lead deposit has about reached the point of regular production, and the further development of our gold mines.

In addition to that he has this to say:

Taken as a whole the outlook for the coming year is distinctly bright. I am fully confident that marked as has been our progress during the past few years, there are even better things in store for this province. Our future is assured. The extent of our progress and prosperity depends largely upon the amount of individual effort which we are prepared to put forth.

Premier Baxter of New Brunswick states the following:

New Brunswick has enjoyed one of the most prosperous years our people have ever known, with agricultural and industrial activity especially marked, and a substantial upbuilding taking place in virtually every field of development.

He goes on to say:

The financial position of the province has been markedly improved this year by the successful culmination of negotiations which have been in progress for some time to have the Saint John Valley Railway taken over from the province by the federal government as a part of the Canadian National Railways system.

We will not refer to the statement made by Premier Taschereau. Still, I do not see why we should not read what that gentleman has to say about the province of Quebec:

In spite of many counteracting factors, general prosperity has prevailed throughout the province of Quebec during 1929. Much advance has been made in some of the most important domains, notably in agriculture.

We now come to the statement made by the Hon. G. Howard Ferguson, premier of the province of Ontario:

During the past year Ontario has maintained the steady progress that has long been characteristic of this province. In all important departments there has been satisfactory advance, and in many ways the outlook for the future has been improved.

[Mr. Heenan.]

Mr. STEVENS: What is the date of that, please?

Mr. HEENAN: The statements I have been reading are dated January 14, 1930. To continue with the statement by Mr. Ferguson:

In the considered judgment of our financial experts, the position of Canada is fundamentally sound, and this is especially true of the province of Ontario.

Mr. Ferguson is speaking not only of the province of Ontario, but of Canada as a whole. He says:

We are constantly growing and expanding and our faith in the outlook is firmly established by experience.

Next we have the statement made by Premier John Bracken of the province of Manitoba:

It is a common belief that Manitoba is a purely agricultural province. It is true that agriculture is still her chief means of maintenance, but during recent years other industries have grown and prospered until to-day the annual value of their gross output closely rivals that of farm products. The year 1929 has seen substantial progress in this direction. During the past year thirty-six new manufacturing concerns have been established in Manitoba, while twenty-two others have extended their plants. It seems certain the total output will substantially exceed that of 1928, which was estimated at $159,252,000.

Mr. STEVENS: Have you any quotation from the remarks of Mayor Webb of Winnipeg?

Mr. HEENAN: He is the mayor of the city, and not the premier of the province of Manitoba.

Mr. STEVENS: But he is the man who is faced with the unemployment problem in the city of Winnipeg.

Mr. HEENAN: We have next the statement made by Premier Anderson of Saskatchewan:

The settling of our vacant farm lands and the development of industries are reacting favourably upon the growth of our urban centres. The population of some of our larger cities has increased fifty per cent in the last three years. Since January 1st of this year the total value of building permits issued for construction work in the province amounted to $34,000,000, as compared with $20,000,000 for the year 1928.

The future progress of Saskatchewan rests upon the firm foundation of the productive effort of our people, aided by a discriminating immigration policy. Capital from eastern Canada and the British Isles is increasingly available for the development of our natural resources. The achievements of the past have been considerable. We have merely scratched the surface of our vast resources, however, and there is every indication that the future holds in store tremendous possibilities for the people of Saskatchewan.

Premier J. E. Brownlee of the province of Alberta has the following to say:

At the end of another year the province of Alberta finds itself in a strong financial position. At the end of March, 1929, the fourth successive surplus was reported. The surpluses for the past four years have been as follows:

1925..	$ 188,019 54
1926..	17,800 53

For the fifteen months ending March 31st:

1928..	$ 279,763 13
1929..	1,578,823 09

Further on in the article he says:

Therefore, we face the end of the year in a spirit of confident optimism, believing that the next few years, at least, will be years of continued development, both agriculturally and industrially.

Mr. GEARY: Would the minister intimate to the house what he is trying to prove?

Mr. HEENAN: I thought the hon. members would like to hear this.

Mr. STEVENS: The minister has scrupulously avoided stating what the mayors of Edmonton, Winnipeg, Vancouver, and other cities have said.

Mr. HEENAN: The hon. member must realize that sometimes a man chooses to eat and drink what other people do not like.

Mr. GARLAND (Bow River): Will the minister quote the appeals made by Premier Brownlee and possibly some others to the government for relief?

Mr. HEENAN: I shall be very glad to do that in a little while; I have those statements somewhere among my papers. I am trying to answer hon. members opposite who have criticized the Prime Minister because he has stated that Canada is prosperous. I am trying to show in my own humble way just what the premiers of each of the provinces have said. I know it is hard medicine to take, but my hon. friends sometimes prescribe for others and I would like them to take a little of their own medicine. Premier Tolmie of British Columbia has this to say:

British Columbia has just closed another active year in all its primary lines of industry. Completed returns should show that the forestry output for 1929 will surpass all previous records for quantity, though, owing to falling prices, values will be somewhat lowered.

Then he goes on:

With new mines discovered and old mines developing, with all our primary industries expanding, with additions contemplated or in progress in our abundant hydro-electric powers there appears at this time to be no good reason why 1930 should not be a banner year for British Columbia.

As an ordinary layman I have tried to figure out how Canada can be in such a deplorable condition as stated by my hon. friends when the premiers of the different provinces have stated that their own provinces are each prosperous.

Mr. STEVENS: Are the minister and his colleagues aware of any unemployment problem which exists in Canada at the present time or which has existed during the past three months?

Mr. MANION: Certainly not.

Mr. HEENAN: In my statement of December 16 I stated that the government had asked the railway companies to go on with their extensive programs of expansion, and I suggested that the provinces should do likewise. When the government of the province of Ontario was about to go on with the construction of the highway from the head of the lakes to the Manitoba boundary, which highway had been promised for years and years at every provincial and federal election, and which had been started, the hon. member for Fort William went down with a delegation to consult with the provincial government. They returned home and stated that the province would go ahead with the work if the federal government would contribute 50 per cent of the cost.

Mr. MANION: We did not say anything of the kind. Mr. Finlayson, the Minister of Lands and Forests, made a statement in writing that they would do that. The provincial government is ready to do its share but this government has not shown a readiness to do anything.

Mr. HEENAN: That highway has been promised at every provincial and federal election. My hon. friend did not succeed in stopping the provincial government from going ahead, because an announcement has been made in the press that the work will be started when the snow is off the ground.

Mr. MANION: Does the minister suggest that I tried to stop the provincial government from going ahead with that highway?

Mr. HEENAN: My hon. friend went down to Toronto and after consulting with the provincial government about the highway, the construction of which was an obligation upon the provincial government, he returned with the statement that the provincial government would go ahead with that which they were obligated to do if the federal government would contribute 50 per cent of the cost.

Mr. MANION: They were not obligated to build a trans-Canada highway unless they wished.

Mr. HEENAN: Would the province of Quebec be obligated to build a highway through the province of Ontario?

Mr. MANION: The whole house, with the possible exception of those under the command of the government whips, has asked that a trans-Canada highway be built.

Mr. HEENAN: Which is the trans-Canada highway?

Mr. MANION: A part of that highway is the highway about which the minister is trying to fake right now.

Mr. HEENAN: How does the hon. member know this?

Mr. MANION: It is that part which the minister has refused to support but which has the support at the present time of his constituency.

Mr. HEENAN: I have heard that a meeting of Conservatives from the north was held and the proposal was that if by any chance the Dominion government called this bluff and said that a contribution would be made towards that highway—

Mr. MANION: This government is not calling anybody's bluff.

Mr. HEENAN: —the Conservatives up in Timiskaming district were to claim that the highway should go through their way instead of through Fort William and Kenora. I am satisfied to allow the electors in that part of the country to deal with this matter. The Conservatives are trying to find an excuse for the province of Ontario delaying the highway a few months longer.

Mr. MANION: They dealt with that question at the last election and they beat everyone who was put up against them.

Mr. HEENAN: I know one member they did not beat.

Mr. MANION: The minister made a bet upon a public platform, which was a corrupt practice.

Mr. HEENAN: The trouble with my hon. friend is that he knows I won the bet.

Mr. MANION: I would like to know what the Prime Minister thinks of one of his ministers making a bet on a public platform.

[Mr. Heenan.]

Mr. HEENAN: I just called one of my hon. friend's bluffs.

Mr. MANION: The minister did not do any such thing. He made a bet on a public platform and his bluff was called.

Mr. BENNETT: He called for relief money.

Mr. STEVENS: It might be well to discuss unemployment for a little while.

Mr. HEENAN: This highway was discussed upon the platform at Sioux Lookout and Kenora during the last provincial campaign. The vote taken in the House of Commons last session—and my vote is shown there—was shown to the people in that country, but notwithstanding the man who opposed the Conservative candidate was elected by a majority of over four hundred.

An hon. MEMBER: What has that to do with unemployment?

Mr. HEENAN: I have shown that the premiers of each province have stated definitely that at the end of this year they were all in good financial standing. I have not heard any of those gentlemen complain that they are not able to cope with unemployment in their province, although the Prime Minister has left the door open.

Mr. MANION: He surely has.

Mr. HEENAN: They came down here to the conference of 1927 and stated that they did not wish any contribution towards unemployment relief, and that statement has not been reversed as yet.

Mr. SPENCER: The minister should not make a blanket statement like that.

Mr. HEENAN: The premier of Alberta has asked for a contribution but has not stated that he cannot cope with this matter himself. He has said that that province has the greatest surplus in its history.

Mr. SPENCER: That was before the unemployment began.

Mr. HEENAN: They said in 1927 they did not want relief, and their statements I have read were all made at the end of the year 1929. The Premier of Alberta did not state he could not cope with this situation; instead he said that his province is in such financial condition that they have the greatest surplus in their history.

Mr. STEVENS: As of March, 1929.

Mr. HEENAN: January.

Mr. STEVENS: No, 31st March, 1929, a year ago.

Mr. HEENAN: I do not propose to make any excuses in regard to unemployment. I am not going to stand here and say that I have the cure for it. I am not going to agree with my hon. friends who say that the way to cure unemployment is by protection. Neither am I going to agree with my hon. friends who have stated that because the federal government has charge of immigration, it is responsible for unemployment. I can recall the great clamour there has been for many years from that side of the house for a wider immigration policy. I can recall the hon. member for Vancouver North (Mr. McRae) advocating in the house a couple of sessions ago a policy whereby we should bring 250,000 or 300,000 families into this country. He advocated doubling the population of western Canada. Yet I find that the hon. member for Vancouver North a few weeks ago stating that the federal government, on account of bringing in so many immigrants, was responsible for unemployment. I think I can recall even a question on the floor of the house some time ago when the hon. member for Vancouver Centre was reported in several newspapers, when he went over to the old country, as having said that there was a job waiting in Canada for every unemployed miner in Great Britain if he was physically fit.

Mr. STEVENS: I never made any such statement.

Mr. HEENAN: I am glad to know there are others who can be misunderstood or misreported once in a while.

Mr. STEVENS: It is misquoted.

Mr. HEENAN: I will read the hon. member's own statement. There is a question in Hansard of March 30, 1928, page 1854. The matter was brought up by the hon. member for Comox-Alberni (Mr. Neill). The hon. member for Vancouver Centre is reported in the Sunday Times of London, England, of December 4, 1927, as follows:

"Every unemployed miner in Great Britain," said Mr. H. H. Stevens, M.P., Vancouver, who arrived in Liverpool yesterday on the Canadian Pacific liner Melita, " can be found employment in the Canadian mines, provided he is physically fit."

Mr. STEVENS: Read a little more. That is not the statement.

Mr. HEENAN: That is the statement which appears in Hansard.

Mr. STEVENS: It is a distorted extract out of an interview which was given.

Mr. HEENAN: I believe that, and I will not read any more. If the hon. member says he did not say that, I believe him, because I know no sensible Canadian would make such a statement.

Mr. STEVENS: I quite agree with the minister. Then why the insinuation?

Mr. HEENAN: Because that went into thousands of homes of British miners of England who were looking for jobs, and no doubt thousands came to Canada because of that misstatement. On the one hand statements going out about "blue ruin" are driving Canadians out of the country, and on the other, statements about "wide spaces with a job for every man" are bringing them in. Is it any wonder we have unemployment in this country?

Mr. BENNETT: We have the admission.

Some hon. MEMBERS: Hear, hear.

Mr. HEENAN: It is no wonder we have unemployment. My hon. friends may applaud. It is no matter to laugh at that thousands of men who have come to this country through misrepresentations in the press or statements by hon. members, find that they cannot secure jobs here.

Mr. STEVENS: That is utter nonsense.

Mr. HEENAN: Before I leave the immigration policy, let me point out that the hon. member for Fort William said on the floor of the house, "Canada should be the mecca for the surplus people of the whole world."

Mr. MANION: So it should if we had a proper government and a good policy.

Mr. HEENAN: Then my hon. friend goes to Winnipeg and says that we are bringing in too many immigrants.

Mr. MANION: I did not make any such statement in Winnipeg.

Mr. HEENAN: The hon. member is reported as saying that.

Mr. MANION: I am not reported as saying that. My hon. friend is just talking.

Mr. HEENAN: The hon. member for Willow Bunch (Mr. Donnelly) quoted from his statement the other day and I will quote it to-morrow.

Mr. MANION: Nobody quoted it because I was never reported as saying any such thing.

Mr. HEENAN: My hon. friends blow hot and blow cold for political expediency, nothing more and nothing less. Is it any wonder they find there are hundreds or thousands of men out of work? They say that all these things have been done by the federal government, lack of policy on tariffs, immigration and all these other things are responsible for unemployment; yet they have continually advocated immigration from the housetops.

Mr. MANION: Has the hon. member finished?

Mr. HEENAN: No.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, April 2, 1930

The house met at three o'clock

AGRICULTURE COMMITTEE

First report of the select standing committee on agriculture and colonization—Mr. Kay.

Mr. KAY moved that the report be concurred in.

Motion agreed to.

PENSIONS AND SOLDIERS' PROBLEMS

Mr. C. G. POWER (Quebec South) moved concurrence in the third report of the special committee on pensions and returned soldiers' problems.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, since yesterday I have had an opportunity to discuss the subject matter of this report with the chairman of the committee on returned soldiers' problems and I have ascertained that it is the purpose of the committee, if it has not been done already, to appoint counsel for the committee in addition to counsel for the various organizations to which reference was made. Under these circumstances I have no objection to the report in any way, but while I am on my feet I may say that the heading of an article appearing in one of the local newspapers this morning was hardly a fair statement of the position taken yesterday, as indicated by Hansard. The difficulty was whether some now in remote sections of the country, who do not belong to the different organizations, might feel that their cases were not adequately safeguarded before the committee. The appointment of counsel of eminence to represent the committee as such should, I think, meet that difficulty.

Motion agreed to.

[Mr. Manion.]

SELECT STANDING COMMITTEES

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

That the name of Hon. Mr. Rinfret be substituted for that of Mr. McLean (Melfort) on the select standing committee on banking and commerce, and that the name of Hon. Charles Stewart (Edmonton) be substituted for that of Hon. W. R. Motherwell on the select standing committee on agriculture and colonization.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

RAILWAY COMMISSION—MR. BOURGAULT

Mr. MURPHY:

1. Was one Mr. Bourgault appointed to the position of inspector of railroad operation under the Board of Railway Commissioners?
2. If so, how many applications were there for the position?
3. How many clerks from grade 3 applied for this position?
4. How many clerks from grade 3 wrote on this examination?
5. How many practical railway men with over three years' experience applied for this position?
6. How many practical railway men with over three years' experience wrote on this examination?
7. Who examined the papers written on this examination, and what is his name and title?

Mr. RINFRET:

1. Yes.
2. Ninety-six.
3. One.
4. One.
5. Seventy-five of the applicants were practical railway men with three years' operating experience.
6. Fifty-eight of the applicants specified in question No. 5, wrote on the examination.
7. Mr. George Spencer, chief operating officer, Board of Railway Commissioners.

FEDERAL GRANTS—PROVINCE OF QUEBEC

Mr. PREVOST:

1. What is the total amount of subsidies granted to the province of Quebec by the Dominion government for agriculture?
2. What is the total amount to this date of grants made to the province of Quebec for technical instruction?
3. What is the total amount to this date of grants made by the Dominion government to the province of Quebec in pursuance of the Farm Loan Act?

Mr. RINFRET:

1. The only subventions paid to the province of Quebec are on account of seed competitions, and to encourage the production of better seed and the use of agricultural lime.

For 1928-29 the amount of such subventions was $7,660.92; for 1929-30 the amount of such subventions was $8,270.60.

2. The total amount paid to date to the province of Quebec under the Technical Education Act is $2,569,655.53, the full allotment.

3. The Canadian farm loan board has granted applications for loans in the province of Quebec to the amount of $1,098,600 as of March 21, 1930.

ALBERTA PENITENTIARY—CUSTODIAN OF RESERVE

Mr. ROSS (Kingston):

1. What is the name of the official described on page 15, estimates 1930-31, as follows: "Alberta—salary of accountant (custodian of reserve), retiring allowance and incidental expenses"?

2. How long has he been so employed?

3. When did he retire?

4. What were his duties?

5. What was his salary each year of his employment?

6. What are the reasons for this increase?

7. On what authority was the payment of $3,120 made in 1929-30?

8. What incidental expenses are referred to?

Mr. LAPOINTE:

1. J. J. Cashman.

2. Twenty-three years and eight months.

3. Has not yet retired.

4. Accountant of the Alberta penitentiary and custodian of the reserve.

5.

1906-07 (8 months)	$ 816 16
1907-08	1,200 00
1908-09	1,200 00
1909-10	1,200 00
1910-11	1,200 00
1911-12	1,200 00
1912-13	1,600 00
1913-14	1,600 00
1914-15	1,600 00
1915-16	1,600 00
1916-17	1,600 00
1917-18	1,600 00
1918-19	1,600 00
1919-20	1,920 00
1920-21	2,039 98
1921-22	2,160 00
1922-23	2,280 00
1923-24	2,280 00
1924-25	2,280 00
1925-26	2,280 00
1926-27	2,280 00
1927-28	2,400 00
1928-29	2,400 00
1929-30	2,400 00

6. The only increases in salary given this officer have been those authorized by act of parliament and the Civil Service Commission, and the increases have been the same as those given the accountants of all the other penitentiaries.

7. No payment of $3,120 was made for the year 1929-30. The estimates provided that amount for the maintenance of the reserve, and the expenditure totalled $2,894.04 which was made up as follows:

Salary		$ 2,400 00
Coal	$ 10 50	
Wood	4 00	
Cutting and burning of weeds	136 63	
Ploughing of land	225 00	
Telephone account	57 00	
Insurance premium on officers' bonds	6 00	
Telegraph account	31 26	
To Messrs. Driscoll & McKnight re blue prints etc.—penitentiary reserve, lot No. 20, Edmonton	15 00	
Map—city of Edmonton.	1 00	
Revenue receipt book and postage	5 40	
Sundry items	2 25	
		494 04
Expenditure		2,894 04
Unexpended balance		225 96
Appropriation		$ 3,120 00

8. See answer to No. 7.

CANADIAN DELEGATES TO NAVAL CONFERENCE

Mr. CHURCH:

1. Who are Canada's delegates to the naval parley at London, England?

2. When did they arrive there and what is their status?

3. Were any instructions given as to the part they were to take there, and what were these instructions?

4. When will they return to Canada?

5. Have they agreed to any reductions in Canada's navy or militia votes or to any reductions in armaments?

6. Is the government yet in a position to inform the house of the said parley and its progress?

Mr. MALCOLM (for Mr. Ralston):

1. The Canadian representative is the Hon. J. L. Ralston, Minister of National Defence, who is assisted by Commodore Walter Hose, Chief of Naval Staff, Lieutenant-Colonel G. P. Vanier, Canadian representative on the League of Nations Advisory Commission for Military, Naval and Air questions, and L. B. Pearson, first secretary, Department of External Affairs.

2. The Canadian delegation, which has the same status as the delegations representing His Majesty's other governments, arrived in London on January 17, 1930.

3. The questions coming before the conference were fully discussed before the departure of the Canadian delegation, who were instructed to cooperate to the fullest possible extent to ensure the limitation of naval armament which was the object of the conference.

4. The date of the termination of the conference is not yet known.

5. No final conclusions have yet been reached as to the action to be taken by any country represented in the conference.

6. No.

TORONTO SHORE AND BREAKWATER PROTECTION

Mr. CHURCH:

1. What are the total votes for shore and breakwater protection on the lake side of Toronto island between Ward's island to the west coast of Centre island, during the past ten years?

2. Has the attention of the government been called to the great storm on Monday and Tuesday last which destroyed a portion of the federal breakwater at this point?

3. What steps will be taken to repair the same and prevent the further destruction of municipal services which the breakwater has protected?

Mr. ELLIOTT:

1.

1920-21	$ 200,000
1921-22	175,000
1922-23	50,000
1923-24	30,000
1924-25	.....
1925-26	.....
1926-27	.....
1927-28	.....
1928-29	15,000
1929-30	.....

2. Yes.

3. Matter under consideration.

DAMAGE BY STORM—TORONTO

Mr. CHURCH:

1. Has the attention of the government been called to the great storm which swept over the Eastern beaches of Toronto, at Woodbine avenue and Kew Gardens, on lake Ontario?

2. What steps will be taken by the government to afford adequate protection of: (a) temporary nature; (b) permanent nature?

Mr. ELLIOTT:

1. No.

2. Enquiry will be made if this is Dominion government property.

[Mr. Malcolm.]

WAR REPARATIONS

Mr. LAWSON:

1. What is the total amount of money received by Canada in payment of war reparations?

2. What amount has been paid out of war reparations for claims awarded by the reparations commission of which James Friel, K.C., was chairman?

Mr. RINFRET:

1. $19,151,436.63.

2. No sum whatever was paid out of the amount received for war reparations. Payments were made under the provisions of the Reparation Payment Act, 1929.

CARIBOO ISLAND MAIL CARRIER

Mr. CANTLEY:

1. Who is the mail courier on the route between Cariboo island, Pictou county, Nova Scotia, and Waterside on the mainland?

2. Was the contract for said route advertised and let by tender?

3. When did the present courier obtain the contract?

4. What is the amount of the tender?

5. What are the dates of the beginning and ending of such service?

6. If not obtained by tender, under what form of agreement is the service performed and what is the remuneration received by the courier?

Mr. VENIOT:

1. Norman McLean.

2. No.

3. January 1, 1919.

4. Tenders were not invited.

5. Contract begins on January 1, 1927. Contract expires on December 31, 1930.

6. Renewal of former contract. $150 per annum.

HALIFAX—IMPORTS OF COAL

Mr. CANTLEY:

1. What tonnage of foreign coal was imported into the port of Halifax during the calendar year 1929?

2. What was the country of origin and port of shipment of such coal and what tonnage from each port?

3. What was the rate of duty imposed on coal so imported and how much collected per ton: (a) from United States; (b) from Great Britain; (c) from Europe and/or Asia?

Mr. EULER:

1.	Tons
Anthracite coal	45,461
Bituminous coal and coal n.o.p.	35,323
	80,784

2.

	Tons
Great Britain:	
anthracite coal	31,612
bituminous coal and coal n.o.p.	21,991
United States:	
anthracite coal	8,248
bituminous coal and coal n.o.p.	13,332
Russia:	
anthracite coal	5,601
	80,784

No statistical records are kept of imports from separate foreign ports of shipment.

3. Anthracite coal, free from all countries; bituminous coal and coal n.o.p., from United States, 50 cents per ton; bituminous coal and coal n.o.p., from Great Britain, 50 cents per ton on 2,735 tons, 35 cents per ton on 19,256 tons.

INCOME TAX RECEIPTS BY PROVINCES

Mr. LADNER:

What is the total amount of income tax received annually (fiscal year) by the government of Canada from each province since the year 1920?

Mr. EULER:

Total Amount of Income Tax Received Annually From Each Province Since the Year 1920

Prince Edward Island

Fiscal year 1920-1921	Fiscal year 1921-1922	Fiscal year 1922-1923	Fiscal year 1923-1924	Fiscal year 1924-1925	Fiscal year 1925-1926	Fiscal year 1926-1927	Fiscal year 1927-1928	Fiscal year 1928-1929
25,611 29	77,860 51	88,906 70	46,158 80	37,835 78	52,055 99	28,160 04	37,933 12	38,654 01

Nova Scotia

1,168,733 82	2,223,986 11	1,585,659 04	1,041,355 17	809,689 36	671,636 76	539,842 92	549,413 11	593,349 53

New Brunswick

701,463 53	1,452,209 83	1,023,466 54	619,461 44	754,373 89	709,040 81	524,820 45	655,234 07	553,686 39

Quebec

15,657,973 07	24,394,235 16	21,107,599 64	18,942,193 96	19,679,008 30	18,168,909 78	15,587,881 64	19,061,843 30	19,822,208 98

Ontario

20,013,824 05	34,504,979 47	24,935,163 09	23,825,428 77	25,531,533 50	26,139,216 30	22,631,659 44	25,614,930 35	28,690,282 58

Manitoba

3,962,734 82	6,014,254 39	4,251,614 16	3,731,074 78	3,477,069 32	3,384,430 47	2,393,249 83	3,141,122 79	3,272,605 86

Saskatchewan

1,193,536 63	2,437,447 54	1,520,803 18	1,090,395 70	872,028 03	855,371 20	658,257 36	775,074 60	894,493 90

Alberta

1,398,989 86	2,446,866 38	1,546,320 15	1,369,224 24	1,163,911 16	1,433,242 24	1,170,951 97	1,273,786 20	1,405,606 01

British Columbia

2,237,711 21	5,095,303 57	3,612,128 28	3,491,553 51	3,855,447 21	4,115,330 08	3,832,151 95	5,440,359 28	4,123,202 94

Yukon

21,246 03	37,211 84	39,877 59	47,181 62	67,146 27	42,727 94	19,333 62	21,350 57	28,233 05

NELSON, B.C.—PUBLIC PROPERTY

Mr. ESLING:

1. Does the Department of Public Works occupy rented premises at Nelson, British Columbia?
2. If so, who is the owner of this property?
3. What is the annual rental paid?

Mr. ELLIOTT:

1. Yes.
2. Kenneth J. Campbell.
3. $1,140.

S.S. GASPESIA

Mr. MANION:

1. How many trips has the steamship Gaspesia made during the months of December, January, February and March?
2. How many trips was she actually called upon to make according to her schedule?
3. Is the company owning the steamer paid for the trips actually made or is the company paid for the trips that the steamer is called upon to make?

Mr. MALCOLM:

1. Four trips have been completed by the Gaspesia. One trip was made by the substitute steamer North Voyageur, and one trip has yet to be completed, the steamer being delayed by a snow storm.

2. Eight.

3. When the subsidy claims are paid consideration will be given to the extraordinarily severe ice conditions in the St. Lawrence during the past winter. The question as to whether an allowance should be made to the company and subsidy paid to them for trips which were missed on account of severe weather conditions has not yet been decided.

GHOST RIVER DAM—PAYMENT TO INDIANS

Mr. ADSHEAD:

1. How much money did the Indians on Ghost river receive on account of the building of the Ghost River dam, Alberta?
2. Who paid the money, the government or the Calgary Power Company?
3. What was done with the money?

Mr. STEWART:

1. $20,337.15 for land flooded; $1,000 for right of way—Total, $21,337.15.

2. The Calgary Power Company.

3. $3,140 was paid in cash to Indians, June 1928.

$17,027.89 was spent in the purchase of additional land for the reserve.

$1,169.26 was placed to the credit of the Stony Band trust fund.

[Mr. Euler.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

MUTTON AND LAMB IMPORTS

Mr. KENNEDY:

1. What are the monthly import figures for mutton in each of the months of the years 1929 and 1930, from: (a) New Zealand; (b) Australia; (c) United States?
2. What are the monthly import figures for lamb in each of the months of the years 1929 and 1930 from: (a) New Zealand; (b) Australia; (c) United States?
3. What was the price per pound in each case of all such imports?
4. What is the percentage of mutton and lamb in each month from: (a) New Zealand; (b) Australia; (c) United States?
5. Is mutton imported from other countries allowed to be sold in open competition with Canadian lamb?
6. Are there any regulations controlling the distribution of imported mutton in Canada?
7. If so, what are they, on: (a) frozen mutton; (b) other mutton?

QUEBEC BRIDGE APPROACHES AND PARK

Mr. POULIOT:

1. What is the length and width of the approaches of the vehicular road on the Quebec bridge: (a) on the north side; (b) on the south side?
2. Were said approaches built by the Department of Public Works or by the Department of Highways of the province of Quebec?
3. What is the total cost of each of said approaches: (a) rental or purchase of land; (b) material; (c) labour?
4. Are the said approaches lighted?
5. If so: (a) in what manner; (b) what is the total cost of installing the lighting fixtures on each of said approaches, and how many of said fixtures are there?
6. What is the approximate monthly cost of the electric current used to light up each approach: (a) in June; (b) in December?

Mr. POULIOT:

1. What is the total cost of the park built in the proximity of the approaches of the vehicular road of the Quebec bridge, on the north shore of the St. Lawrence river?
2. Did the contract of November 15, 1928, between the Dominion and Quebec governments provide for the construction of said park?
3. Is the cost of said park included in the total cost of the approaches?
4. Is said park lighted?
5. If so: (a) in what manner; (b) what was the total cost of installing the lighting fixtures in said park, and how many are there?
6. What is the approximate monthly cost of the electric current used to light said park: (a) in June; (b) in December?

QUEBEC BRIDGE RAILWAY CROSSING

Mr. POULIOT:

1. What was the cost of each of the railway crossings on each approach of the vehicular road on the Quebec bridge?

2. Notwithstanding the contract of November 15, 1928, between the Dominion and Quebec governments, has the former contributed, (a) to the construction, (b) to the upkeep of said railway crossing?

3. If so, in what way, and to what amount?

4. Is the contribution of the Dominion government included in the total cost of said railway crossing?

QUEBEC BRIDGE BUILDINGS

Mr. POULIOT:

1. What was the cost of each of the buildings constructed, (a) along the approaches of the vehicular road on the Quebec bridge, (b) on the adjacent park?

2. What use is to be made of each of said buildings?

QUEBEC BRIDGE VEHICULAR ROAD

Mr. POULIOT:

1. What was the total cost of the vehicular road on the Quebec bridge as to: (a) material; (b) labour?

2. What is the monthly cost of the upkeep?

3. Who provides for it?

4. How many keepers are employed on the vehicular road of the Quebec bridge?

5. By whom are they paid?

6. Does the total cost of said vehicular road, approaches and all improvements, exceed $400,000?

7. Is the said road lighted?

8. If so: (a) in what way; (b) what is the total cost of the lighting fixtures on the vehicular road, and how many are there?

9. What is the approximate monthly cost of the electric current used for lighting purposes: (a) in June; (b) in December?

10. What is the approximate yearly cost of the upkeep?

Mr. POULIOT:

1. Was the vehicular road on the Quebec bridge, from one end to the other, constructed by the Department of Public Works of the government of Quebec?

2. Who has charge of its upkeep?

3. When was the vehicular road on the Quebec bridge opened to the public?

4. Since that date, how many: (a) vehicles; (b) pedestrians, and (c) animals have passed over it?

5. During this period, what was the total amount paid in tolls: (a) on vehicles and their passengers; (b) by pedestrians; (c) on animals?

6. Is there a special walk for pedestrians on the Quebec bridge?

7. Are there persons who have the privilege of free crossing with their vehicles on the Quebec bridge?

8. If so, how many?

9. Are those who enjoy that privilege farmers of the neighbouring parishes?

QUEBEC BRIDGE SCALE OF TOLLS

Mr. POULIOT:

1. What is the complete scale of tolls approved by an order in council of the Quebec government on August 8, 1929: (a) on vehicles; (b) for pedestrians; (c) for animals, passing on said road?

2. What animals are included in said scale of tolls?

3. What are the nearest points: (a) to the east; (b) to the west, where vehicles may cross the St. Lawrence river at all seasons of the year?

4. What distance is each of said crossings from the Quebec bridge?

5. Will the government base its estimates on the tolls in force over the nearest crossings or only on the cost of the vehicular road and the expected returns, in considering the scale of tolls which were submitted to it by the Quebec government?

ROYAL CANADIAN AIR FORCE

Mr. BOULANGER:

1. What is the total strength of enlisted men at No. 1 depot, Royal Canadian Air Force, the rank of each man, nativity, and the rate of pay per month and allowance given each individual rank, together with a statement showing holidays, statutory and regular?

2. What is the total strength of civilians employed at above depot, the position or grade of each man, his nativity, rate of pay, day and month, how many are on monthly rate, as compared with hourly rate, and what holidays are allowed each man?

3. How many civilians are being trained to replace air force officers loaned to the civil government?

4. How many inspectors are employed in the inspection or intelligence branch, at No. 1 depot, and what is the nativity of each inspector?

5. How are promotions made, are they made by recommendation of the officer in charge of depot?

6. If examinations are set, who passes on merits of candidates, and what are the names and nativity of examiners?

MUTTON AND LAMB IMPORTS

Mr. STIRLING:

What were the importations, in pounds and value, into Canada, of mutton and lamb, month by month, in the years 1925 to 1929 inclusive, giving the countries of origin and the ports of entry?

CANADIAN ARMY PAY CORPS

Mr. CLARK:

1. On what date was Canadian army pay corps organized?

2. Why was it organized?

3. What are the duties of said corps?

4. What was the strength of said corps on July 1, 1914?

5. What is the strength of said corps to-day?

6. When was the name of said corps changed to Royal Canadian army pay corps?

7. Why was the word "royal" added?

8. How many of the present personnel served in a theatre of war between 1914 and 1918?

9. Is it the intention of the government to disband said corps?

10. Has an investigation relating to said corps been held?

11. Was said investigation conducted by soldiers or civilians?

12. Is it the intention of the government to replace the Royal Canadian army pay corps by a civilian organization?

13. If so, what is the name and nature of the organization?

14. What disposition will be made of the present members of the Royal Canadian army pay corps as to: (a) employment; (b) pay, and (c) pension?

15. Is the accounts branch of the Department of National Defence now manned by civilians?

16. Will said accounts branch take over the duties now performed by the Royal Canadian army pay corps?

17. What is the present number of employees in said accounts branch?

18. What was the number of employees in said accounts branch on July 1, 1914?

19. How many of the present staff of the accounts branch served in a theatre of war between 1914 and 1918?

20. What provision has been made to carry out the pay services in case of mobilization?

21. Did General Sir Arthur Currie make recommendations regarding the employment of civilians in the Department of National Defence when he was inspector general? If so, what were they?

22. Did Major General J. H. MacBrien make recommendations regarding the employment of civilians in the Department of National Defence when he was chief of the general staff? If so, what were they?

AIR MAIL SERVICE

On the orders of the day:

Mr. H. A. STEWART (Leeds): Mr. Speaker, I would like to inquire of the Postmaster General (Mr. Veniot) when I may expect the return covering the tenders, correspondence, et cetera, in connection with the air mail contracts which was ordered on March 17, 1930. The house will soon be taking up the estimates of that department and I would like to have this information before me at that time.

Mr. VENIOT: I was informed yesterday that this information would not be ready until Monday.

CIVIL SERVICE SUPERANNUATION

On the orders of the day:

Mr. H. C. HOCKEN (Toronto West Centre): Mr. Speaker, I would like to inquire of the Prime Minister (Mr. Mackenzie King) whether a committee has been appointed to consider the question of superannuation. If my memory serves me aright, a committee was appointed last session but no report has been made.

Mr. MACKENZIE KING: I may be mistaken, but I have no recollection of any such committee having been appointed.

Mr. HOCKEN: I understood that a committee of officials had been appointed to consider this question.

[Mr. Clark.]

Mr. MACKENZIE KING: I do not think a governmental committee of any kind has been appointed. A committee may have been appointed by some organization to investigate this matter, but I am afraid I cannot give my hon. friend any information regarding it.

SUPPLY—UNEMPLOYMENT

AMENDMENT OF MR. HEAPS TO MOTION FOR COMMITTEE

The house resumed from Tuesday, April 1, consideration of the motion of Mr. Mackenzie King for committee of supply, and the amendment thereto of Mr. Heaps.

Hon. PETER HEENAN (Minister of Labour): Mr. Speaker, during the discussion of last night I took occasion to congratulate the hon. member for North Winnipeg (Mr. Heaps) for bringing this important question before the house, and also for the sincere manner in which he had carried on his argument on the amendment. I pointed out to the hon. member that the government had contributed to the relief of unemployment by carrying on an extended program of public works construction, which program would be continued. I pointed out that the government had urged the railroad companies to carry on an expansion program in order to help this situation. I mentioned that the government last year spent about $600,000 for the relief of unemployed ex-soldiers, and that by letting a contract in Canada for construction work which could have been carried on in the United Kingdom at about $1,000,000 less, considerable employment was being given to Canadian workmen. I pointed out that this government was contributing towards old age pensions, assisting approximately 40,000 Canadian citizens. Last night I mentioned the figure of 35,000, but my office advises me that it should be 40,000.

There is legislation now before the house which I do not propose to discuss, but I am satisfied that the War Veterans' Allowance Act will contribute to a very large extent towards the relief of unemployment by taking many men out of the industrial field. I directed the attention of the house to the fact that the government was making a further contribution by prohibiting contract labour being brought into Canada.

The hon. member for Vancouver Centre (Mr. Stevens) asked me last night if we had not already a law of this nature upon the statute books, and I took it for granted that he meant the Alien Labour Act. A reference to Hansard will show that I was discussing

the prohibition of the bringing in of contract labour from European countries, and the Alien Labour Act does not apply to those countries. That prohibition is being applied only to the United States as that is the only country which has a similar act with regard to Canada. The act contains no provision for administration by any department of the government.

Mr. STEVENS: It is a statute of the country, is it not?

Mr. HEENAN: Yes.

Mr. STEVENS: Is it not the duty of the government to enforce it?

Mr. HEENAN: It is the duty of everyone to enforce it. The act provides that the lieutenant governors or the attorneys general of the provinces have considerable to say in the matter.

Mr. IRVINE: Will the hon. minister speak a little louder; we cannot hear him in this corner of the house.

Mr. HEENAN: I have a long way to go and I want to save my wind.

I would point out to the hon. member for North Winnipeg that the new immigration policy will assist in the solution of this problem as it gives to the provinces a great deal of the responsibility in connection with immigration. I do not think the provinces will ask for as many immigrants as they have in the past. The eight hour day has been applied to the public service, and with the help of my hon. friends opposite I hope that the eight hour day will be made applicable to all employees on public works.

Mr. BENNETT: That is four years too late.

Mr. HEENAN: If that were done it would relieve unemployment, and more so if the provinces and the municipalities will follow this lead. I hope that the hon. member for Fort William (Mr. Manion), who is a good friend of mine, will not endeavour to discover further excuses on behalf of the Ontario government for delay in the commencement of the construction of highways through northern Ontario. I have stated several times outside of the house, and I state again, that the province of Ontario should have gone on last winter with the blasting of rock and the cutting out of the right of way for the construction of the highway from Fort William to the Manitoba boundary. The road has been promised, it has been started, and there is no reason why they should not have gone on with it.

Mr. MANION: They are going on with it at the present time. They are still building it.

Mr. HEENAN: I might say for the benefit of my hon. friend I have a clipping from the Kenora Examiner of December 30, 1921, and I want to read it to him. It reads:

> The contracts for clearing the right of way for the highway between Keewatin and the Manitoba boundary have been let, and one of the contractors has already started to work.
>
> The successful tenderers were as follows:
>
> Thomas Nolan, of Rainy River, secured the first and fifth and sixth five miles.

That is, they were let in five-mile stretches.

> Adam Blondin, of Kenora, was awarded the second five miles.
>
> Harvey Cottam, of Rainy River, got the third and fourth five miles.
>
> An important condition of the contract is that the work must be completed by April 1, 1922.
>
> One of the contractors is already on the job, and the others start work next week.
>
> Last Friday, after the Enterprise had been printed it was learned that Mr. Peter Heenan, M.P.P., had returned from Toronto, where he had gone in the interest of his constituents, and stated to the Kenora Examiner that the work of clearing the right of way would be completed this winter and that construction of the roadbed would be carried on next summer.

Mr. ARTHURS: At that time I understand there was a grant from the federal government subsidizing the building of roads in the various provinces.

Mr. HEENAN: This work was all done out of the northern development funds.

Mr. ARTHURS: The grant existed at that time.

Mr. IRVINE: Will the minister explain what connection work done on some road in 1922 has with the question of unemployment insurance?

Mr. HEENAN: If my hon. friend will possess his soul in patience, I may lead to that in a little while.

Mr. STEVENS: Rip Van Winkle.

Mr. HEENAN: I pointed out that the road which the hon. member for Fort William says the Ontario government should not be expected to bear the whole cost of, was started in 1921, and if they had gone on with it in 1929 there would have been a great body of unemployed men employed on that road. I wonder whether my hon. friend heard that.

As I say, the work was gone on with. The highway was cut out and it gave a great deal of work to unemployed men at that time of the year. The Minister of Lands and Forests of Ontario, speaking in 1924, promised that the highway would be finished, as he said, before the snow fell in 1924. In 1925, during the federal election, he promised that the road from the Manitoba boundary to Sault Ste. Marie would be finished before the snow fell in 1925. In the 1926 federal election he promised the same thing. In 1926 there was also a provincial election and I have under my hand the appeal of the local member to the electorate. I will read one sentence of that appeal. He said:

If elected I propose to join forces with the members for Rainy River, Fort William and Port Arthur for the rapid completion of the Trans-Canada highway from Fort William west.

That was the appeal made by the local member in 1926, and he was elected. In 1929, he made another appeal to the electorate and I am sure it will be interesting to the house if I read this appeal. He said:

The Kenora district has waited many years for motor highways to link it up with the outside points. Joe Earngey, representing the Ferguson government, has this work well under way, so that with his return as a supporter of the Ferguson government, which will undoubtedly continue in power, this work would be completed in a very short time.

Then he asked:

Can any elector who has the interests of his district at heart risk delay or postponement of the completion of these highways?

That is a very significant question.

Mr. MANION: And the minister helped to defeat the member who put out that appeal.

Mr. HEENAN: The people in my part of the country do not take such intimidation as that from any hon. member.

Mr. BENNETT: We will remember that next election.

Mr. HEENAN: He said:

Can any elector who has the interests of his district at heart risk delay or postponement of the completion of these highways?

In other words, if you do not vote for the Conservative candidate, you do not get the highway built. There is no question of that, and because of that appeal he lost his election by over 400 votes.

Mr. GEARY: Supposing he did, why waste the time of the house talking about it?

Mr. SPENCE: Why spend the time of the house on this?

[Mr. Heenan.]

Mr. HEENAN: I thought the hon. member for Parkdale would like this.

Mr. SPENCE: I would like the minister to come up to date.

Mr. HEENAN: I am coming up to date. The member who made this appeal on this highway, which was supposed to be completed in 1925 before the snow fell, made the appeal in 1929 but he was then defeated. This is his own paper; he owns and edits it and this is what he said. I want my hon. friend from Fort William to note this, because only a few days ago my hon. friend said in the house that the Ontario government should not be expected to bear all the cost of this highway. The member who made the appeal said in his paper, Kenora and Miner News, February 22, 1930:

Start work on Manitoba road in the spring. Ontario government will complete all or major portion of balance of road this year.

Construction work on the highway to Manitoba will be commenced by the Ontario government in the spring at as early a date as it is possible to work, thus affording employment to a considerable number of men.

And so on. What I want to ask the hon. member for Fort William to do is to forget politics for the time being.

Mr. FRASER: Did the minister ever forget politics?

Mr. HEENAN: I should like him to come over here and join hands with me in helping to get this highway built which the Ontario Conservative government has promised since I was a little boy.

Mr. MANION: The hon. gentleman voted against it the other day and I voted for it.

Mr. HEENAN: No; the hon. gentleman, when he heard there was likely to be an onslaught on the Ontario government to go ahead and give work to the unemployed people in that part of the country, went down with a delegation to Toronto and after the interview the statement was made that the Ontario government was to go on with this highway if the federal government would pay 50 per cent of the cost.

Mr. MANION: And in the meantime the Ontario government has continued to build it and is building to-day some sixty or seventy miles of the highway.

Mr. HEENAN: What highway?

Mr. MANION: The same highway that my hon. friend is speaking about.

Mr. HEENAN: If they are doing that, why does the hon. member ask us to bear 50 per cent of the cost?

Mr. MANION: I will explain that when I speak. I do not wish to be unfair to the minister. If the minister wishes me to reply now, I will do so.

Mr. HEENAN: The hon. member can use his own time. I like to work on my time and I do not think there is any other hon. member who sits more quietly in his seat than I do when members are speaking.

Mr. MANION: The minister asked me a question.

Mr. HEENAN: I just want him to be a good fellow and help me to get this highway completed, and no more stalling.

Mr. STEVENS: Stop talking nonsense.

Mr. BENNETT: He is thinking about his election.

Mr. HEENAN: We have had a great many elections in that part of the country, and the peculiar thing about my hon. friend from Fort William is that for six months before and after an election he seems to get out of kilter; he is not so friendly somehow or other. A few days ago he took exception to the Minister of Labour leaving Ottawa to take part in a provincial election. I can well recall that in every federal election in which I have taken part we have had a number of provincial ministers out in our part of the country, and the hon. member for Fort William has never criticised them for taking part in federal elections. He was glad to accept their assistance in every way—to accept all their promises of provincial highways and by-ways and bridges and everything else. I do not know that it was not proper for me to go up there, but if it was improper for me to speak in a provincial election, certainly it is improper for provincial ministers to take part in a federal election.

Mr. MANION: I did not accuse the minister of any impropriety, but said that, while he did not have time to look after the unemployed, he had time to go to western Ontario and speak in a provincial election.

Mr. HEENAN: I might point out that 400 more workers believed me in that part of the country than believed my hon. friend.

Mr. MANION: In four or five other ridings that the minister visited, the people did not believe what he said.

Mr. HEENAN: I am not sure that in Fort William they did not take notice of what I said. I remember that in the election before last, the provincial member had 3,700 of a majority, and in the last election, even with the help of the organization from Port Arthur, where there was an acclamation, which allowed the two organizations to work together, the provincial member had only sixteen hundred of a majority.

Mr. MANION: Just sixteen hundred; that was all.

Mr. HEENAN: So my hon. friend's influence apparently is on the wane, and by the time the next election comes around he may have enough to do to look after his own constituency.

Mr. SHORT: What has that to do with the resolution?

Mr. ERNST: He is keeping himself from being unemployed.

Mr. HEENAN: I wished to tell my hon. friend that he and his friends on the other side are using their influence with the Ontario government not to go on with work for the relief of the unemployed, but it seems that no matter what I say, no matter what appeal I make to them—

Mr. MANION: That is the utmost nonsense. The provincial government is helping the unemployed.

Mr. HEENAN: I regret that it has been necessary for me, because of the attitude of my Conservative friends, to expose their inconsistencies and their insincerity in dealing with unemployment. It has always been the same. They blame the tariff, they blame the immigration policy, and I do not know what else. It brings to my mind that there was some unemployment in this country in 1913, 1914 and 1915.

Mr. STEVENS: Let us go back a little further.

Mr. HEENAN: There was a Conservative government in power at Ottawa in 1914, and a Conservative government in power in Ontario, and there was so much unemployment prevailing all through the country at that time that the Ontario government appointed a commission to investigate the causes of unemployment in the province, and to make recommendations for remedying the situation. I think it would not be at all amiss for me to quote from that commission's report.

Mr. HANSON: Why not go back to 1887?

Mr. RYCKMAN: What did Gladstone say in 1872?

Mr HEENAN: We had a Conservative government in power at Ottawa and a Conservative government in power in Ontario in 1914, and this is what that commission recommended.

Mr. STEVENS: What date is that?

Mr. SPEAKER: Order. Although everyone seems to be in very good humour I must remind hon. members that it is not fair to a speaker to be continually interrupting him.

Mr. HEENAN: It does not matter, Mr. Speaker. I know that the public take notice of the fact that my hon. friends opposite always laugh at the distress of the unemployed in this country. This is not the first time. The commission in one of their findings say:

> The result of inquiries has impressed on your commissioners most forcibly the fact that the depression, which occurred in 1914 and 1915, was but a phase of the movement alternating between inflation and depression, which is a characteristic feature of modern industry. A false sense of security should not blind the public world, in times of thriving trade, to the fact that widespread unemployment is likely to recur in future.

Mr. STEVENS: What date is that?

Mr. HEENAN: This is the commission's report of 1915.

Mr. BENNETT: There was a war on in that year.

Mr. HEENAN: Further on in their findings, after comparing depression in the older countries and in the younger and faster-growing countries, the commission say:

> The fact that the growth of the younger countries is so rapid in times of prosperity makes them subject to depressions more violent than those of older countries.

Under the heading of Idle Workers and Plant, the commission say:

> The returns of employment received from Ontario manufacturers show that, during 1914, the decrease in the volume of employment was equal to the full working time of, at least, thirty thousand persons. The figures for unskilled labour and the building trades are not available, but these would increase the already formidable total of those out of employment for long periods of time.
>
> It is common knowledge that our industrial plant in many lines has outgrown normal requirements and that but for war orders many Canadian factories would be closed down or running at a small percentage of their capacity. This situation is not peculiar to Canada.

Further on they point out:

> It would appear to show that in proportion to output, Canada had in 1911 an industrial plant 200 million dollars in excess of productive requirements.

[Mr. Ryckman.]

The commission also make this significant statement, that between 1900 and 1910 the capital invested in Canadian manufactures increased 179 per cent.

Mr. GARLAND (Bow River): May I suggest that it would be more correct to say that the production was $200,000,000 behind the consumptive powers of the people than that there was $200,000,000 of over-production?

Mr. HEENAN: It is the same thing.

Mr. GARLAND (Bow River): Not quite.

Mr. HEENAN: Yes, except that my hon. friend says it in the English way and I say it in the Irish way. In other words, the significance of the commission's statement is this: In ten years of Liberal rule, there was so much development in Ontario and in Canada generally that the capital invested in Canadian manufactures had increased 179 per cent, and there was $200,000,000 more invested in productive plant than was necessary for the country's requirements.

Mr. HANSON: What about 1930?

Mr. HEENAN: Further on the commission recommend the organizing and securing of outside markets for Canadian products. I am not so sure that we are getting very much help from hon. friends opposite in that regard.

Mr. MANION: A Canadian market for outside products?

Mr. HEENAN: So we have the Conservative party in 1914-15 not suggesting any tariff revision to provide for unemployment, as my hon. friend the leader of the opposition is doing throughout the country to-day.

Mr. BENNETT: The Third Internationale was not sitting then; there was a great world war on at the time.

Mr. STEVENS: That is news to him.

Mr. HEENAN: Is that news to my hon. friend, that there was a war on at that time.

An hon. MEMBER: It is news to you. You were quoting 1913.

Mr. HEENAN: I am going to suggest at the end of my address that the hon. leader of the opposition did not know there was a war on at that time. Well, there was no war being waged in 1921.

Mr. MACDOUGALL: There is no war on at the present time. What about unemployment now?

Mr. HEENAN: There was unemployment in 1921.

Mr. MACDOUGALL: That was just after the war.

Mr. HEENAN: Last night I promised an hon. member that I would quote from Hansard to-day, giving the page, to show what the Conservatives regarded as the cause of unemployment, and what cure they advocated for it in 1921. I am going to read from page 1379 of Hansard of 1921. It is part of a speech delivered by an hon. member who was supporting the government of the day. He said in effect that the main reason why there was so much unemployment in the country during the last few months was because of the impossibility of getting men to do a fair day's work, thus causing industries to become insolvent. In his speech you will find what he advocated as a cure for that unemployment.

Mr. MACDOUGALL: Who?

Mr. HEENAN: I would prefer that my hon. friend looked up Hansard himself. I do not wish to give the name across the floor. These are his words:

I have it from other sources,—

Mr. MACDOUGALL: Who was it?

An hon. MEMBER: Who made the speech?

Mr. HEENAN: One of the leaders of the Conservative party.

An hon. MEMBER: Be specific. Who was it?

Mr. HEENAN: You will find it at page 1379 of the 1921 Hansard.

Mr. BENNETT: Who prepared the speech for you?

Mr. STEVENS: Your secretary should have put that name in.

Mr. HEENAN: It was a very prominent Conservative from Toronto.

An hon. MEMBER: Who was it?

Mr. HEENAN: It was Mr. Hocken. These are his words:

I have it from other sources, sir, and quite reliable sources, that in some of the trades the men during the last year or two, particularly during the last year, refused to give their employers the efficiency of which they were capable. That has to be corrected, and I think the only way it can be corrected is by such a period of depression as we are going through at the present time.

I wonder if that is up to date enough for my hon. friend.

Mr. SHORT: No, that is 1921. Give us this year.

Mr. HEENAN: He stated that the working men would not give a fair day's work, and consequently that had caused unemployment. The cure he proposed was that they should be starved into submission.

An hon. MEMBER: That is what you are doing to-day.

Mr. HEENAN: That is the Conservative policy.

An hon. MEMBER: That won't feed the bread line to-day.

Mr. HEENAN: This commission goes on to recommend that after the war the federal government, the provincial governments, the municipalities, the railways and all large employers of labour should get together and finance a large scheme of immigration. That was recommended by a Tory commission.

Mr. MACDOUGALL: What are you recommending now?

Mr. HEENAN: I recommend that my hon. friend possess his soul in peace for another few minutes.

An hon. MEMBER: What have you been drinking?

Mr. HEENAN: What I have been drinking and what my hon. friend has been drinking are two different things.

Mr. STEVENS: We have water. We do not know what you have.

Mr. HEENAN: What does my hon. friend say now about immigration?

Mr. MACDOUGALL: What do you say now about unemployment?

Mr. HEENAN: I see my hon. friend from Vancouver North (Mr. McRae) is in his seat. He was advocating the other day the same principle as was recommended by a Tory commission in 1915.

Mr. McRAE: Mr. Speaker, I rise to a point of order. I promise the hon. minister that I would do better than the previous minister did last year. The net loss in population last year was nine and the expenditure $3,600,000 I would do better than that.

An hon. MEMBER: There is no point of order in that.

Mr. HEENAN: Oh, yes; anything is a point of order with some hon. members.

Some hon. MEMBERS: Oh, oh.

Mr. HEENAN: The people of Canada are not laughing at my hon. friends advocating on the floor of this house that we should bring in 250,000 or 300,000 farmers with their

families and so double the population of western Canada. That was their policy a year ago. This year they are going all over the country saying that the federal government has been bringing in too many immigrants and are responsible for unemployment. Our people will not put up with that kind of inconsistency, and I am confident they are not going to be fooled when the time comes to make a decision. I feel sure everyone regrets the short crop the western farmers had last year, and their inability to secure adequate prices for that crop. But I know the Canadian people will not tolerate any body of politicians going through the country and preaching blue ruin because we have a little more unemployment than usual as a result of conditions in western Canada.

Mr. MACDOUGALL: Will the minister permit me? How many employed have we in Canada to-day?

Mr. HEENAN: I am not prepared to answer my hon. friend; he does not ask his question in a gentlemanly way.

Some hon. MEMBERS: Oh, oh.

Mr. MACDOUGALL: Mr. Speaker,—

Some hon. MEMBERS: Sit down.

Mr. SPEAKER: Order.

Mr. MACDOUGALL: Mr. Speaker,—

Mr. SPEAKER: Order. The hon. gentleman may interrupt only with the permission of the member who has the floor. I am protecting the hon. minister now just as I would protect the hon. member himself if he had the floor.

Mr. MACDOUGALL: I rise to a question of privilege, Mr. Speaker.

Mr. SPEAKER: Very well.

Mr. MACDOUGALL: The hon. minister said that I did not ask my question in a gentlemanly way.

An hon. MEMBER: You never asked his permission.

Mr. MACDOUGALL: I did ask his permission, and then I asked him a question that he could not answer, or would not. As an excuse for not answering he says I did not ask him in a gentlemanly way. I submit, Mr. Speaker, that he should withdraw that remark.

Mr. HEENAN: If it will satisfy the hon. member I will withdraw the remark and say he is a real gentleman. But when he asked that question he knew very well that neither I nor any other man in Canada could answer it.

Mr. MACDOUGALL: Why not? You are head of the Department of Labour.

Mr. HEENAN: Because no method has yet been devised to secure registration of the unemployed in Canada.

Mr. STEVENS: Will the minister permit a question?

Mr. HEENAN: No.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: It does not pay to treat the minister as a gentleman, apparently.

Mr. SPEAKER: Order.

Mr. HEENAN: While we are on that question—

An hon. MEMBER: What question?

Mr. HEENAN: —I should like to read something that has just been clipped for me from the Nation of April 2, 1930. My hon. friends very often advise us to copy the United States, so I will read this article to show what high tariffs do to a country. This paper is published in New York, and I hope it is up to date enough for my hon. friends opposite. It says:

> The unemployment situation is grave. Frances Perkins, industrial commissioner for New York, and John B. Andrews, secretary of the American Association for Labor Legislation, testifying before the senate committee on commerce, declare that conditions in New York city are the worst that they have been since 1914, and that they have been growing rapidly worse since October, when distress first appeared. Professor Benjamin M. Squires, of the University of Chicago, director of the Illinois state employment agency, testifies similarly that suffering from unemployment in Chicago is the most acute that it has been in ten years, and that Chicago is just like other industrial centres. The Family Welfare Association of America, a federation of 234 charity and welfare associations in more than 60 cities, reports an increase of 100 per cent in their expenditures for relief in January, 1930, as compared with those of January, 1929, and an increase of 200 per cent in the number of families in distress because of lack of work. Bread lines are crowded in the leading cities. The National Urban League estimates that there are at the least 330,000 Negroes with no work. The American Federation of Labour, on the basis of figures from twenty-four cities, announces 22 per cent of reporting members unemployed in February, against 20 per cent in January.

I may say at this point that our figures from trade unions show about 10 per cent unemployed, as against 22 per cent in the United States.

Mr. CHAPLIN: Those were broadcast to you, I suppose.

Mr. HEENAN: I quote further:

The employment figures of the New York state Department of Labor, probably the best series in the country, in January stood at the lowest point in their fifteen-year history, except for three months in 1921, and February showed a further drop of nearly one-half of 1 per cent, although February ordinarily brings a gain of more than 1 per cent.

That report comes from a tariff country.

For the information of the member for Winnipeg North Centre and to explain the remarks I made last night to the effect that it required some education to get the public to adopt an unemployment insurance scheme, I want to read from the Montreal Gazette, the leading Conservative paper. I quote from an editorial in the issue of April 2, 1930:

The rather vague announcement of the Minister of Labour that the government may, in cooperation with the provinces, give effect to employment insurance affords cause for apprehension. The thing itself is not so startling as are the implications under the political conditions which obtain. Whither are we drifting in this matter of socialistic paternalism? Now is the time, rather than later, to think seriously and soundly about the outlook. As has from time to time been pointed out in these columns, we embarked rather impulsively on a broad scheme of old age pensions, and to follow that up with so radical a measure as employment insurance would be to open the door wide for every other fad which the aggressive socialists are advocating. When we had gone to that length, the dole would be in sight; in fact, it would be inevitable. We had better pause and take our reckonings; for experience has amply demonstrated that it is an easy thing to set in motion a process of that nature and a very difficult thing to control it. That process would seem to have been begun, and, if we are to avoid grave perils, we should begin at once to look ahead in a sober and calculating spirit.

Human nature is a fairly constant factor in the social scheme. If there is poverty, unemployment at times, want in old age, and so on, it would be infinitely better to attack the problem at its roots than to seek mere palliatives. To the extent that the cause is to be identified in the indolence, the improvidence, the intemperance, the lack of foresight of individuals, it is quite evident that conditions would be aggravated by a premeditated plan of notifying such people that they need have no fear of the consequences of their folly. While human nature remains as it is, and as it has been through the centuries, it is sheer madness to tell idle and shiftless men and women that the state will step in and save them from the penalties of their violation of fixed social laws. That there are many cases quite outside of that category does not in the slightest degree mitigate the unwisdom of extreme and needless paternalism. The end is pauperism; and in a young country like this, with unrivalled opportunities for the industrious and ambitious, the last thing we ought to do is deliberately to lay the foundations for precisely that sort of thing.

We have already done an unwise thing in adopting a system of indiscriminate old age pensions. Every alert observer must have seen that politics had more to do with the matter than genuine need. It was an act of stultification in a period of abounding prosperity and national expansion. It was a frank announcement to the improvident that they need not look ahead to the inevitable years of disability; and few things could be fraught with greater menace to society than that. It was at the same time an equally candid notice to the thrifty and hard-working that their savings would be drawn upon to provide for the wasters; for that is what it means. The state may have the legal power to commit such an act of injustice; but we should all calmly see that it is the sure road to endless trouble. For that reason it is to be hoped that not another step will be taken until time has been given for the people at large to think the problem out in all its bearings and grave implications.

That is a notification to Conservatives throughout the country that they must not in any sense be a party to unemployment insurance. So that I want to point out to my hon. friends in the labour group that it requires a considerable amount of public education before we can get a contributory unemployment insurance scheme, a thing which I consider to be very necessary to cope with the unemployment situation in Canada,

In conclusion I would like to say—

Some hon. MEMBERS: Hear, hear.

Mr. HEENAN: I thought the hon. members over there were just beginning to like me. I would like to ask any member of parliament, whether he be a member of a provincial legislature or a member of the House of Commons, who desires to see a permanent scheme to deal with the unemployment situation, to use his influence throughout the country to educate the public as to the necessity for such a scheme, and not "pass the buck" from the legislature to the House of Commons.

Mr. BENNETT: Hear, hear.

Mr. HEENAN: Under our laws we have no jurisdiction. My hon. friend the leader of the opposition has said "hear, hear". I noticed, however, when the hon. member for Winnipeg North Centre moved an amendment last session to the report of the industrial and international relations committee, asking that the provincial governments be requested to pass legislation to give up their rights in this matter, my hon. friend voted against it.

Mr. BENNETT: Because they cannot give it up.

Mr. HEENAN: I admit they cannot give it up; consequently I am asking members of this house not to try to urge something on the federal government which cannot be done, and which they admit cannot be done. In the

meantime I would suggest that this is a young country; there is a great deal of development and construction to be done here, and I would ask that every hon. member use his influence to assist in every possible way to get that construction carried on, not only through this Dominion parliament, but through the provincial legislatures as well, so that the work will help to a very large extent in eliminating unemployment.

Hon. R. J. MANION (Fort William): Mr. Speaker, I agree with the hon. member who introduced this resolution that it is the most important problem facing our country to-day. I do not think anyone in this great land of promise can realize that in the cold northern winters of Canada there are times—and this applies particularly to the present—when men and women and innocent little children are suffering from lack of the food which is necessary to keep their bodies and souls together, without feeling a very deep and abiding sympathy for the cause which has been advocated by the hon. member for North Winnipeg (Mr. Heaps).

I listened with respect and attention to the theories for a permanent solution of this problem proposed by the hon. member for Winnipeg North Centre (Mr. Woodsworth) as well as by the hon. member for North Winnipeg, but while I agree that some day a permanent solution must be found, I would point out that at the moment the fact is that we have a very severe unemployment, and temporary measures of some kind should have been brought forward long ago by this government in order properly to deal with this problem.

Before the Minister of Labour (Mr. Heenan) made his three-hour speech, if I might use that term in regard to his remarks, we had been discussing for nearly two full days this question of unemployment, and it was almost unprecedented to see this government sitting quietly by and having to be almost kicked into the debate before they made anything in the shape of a suggestion. Now that we have listened to the Minister of Labour, I do not know that any suggestion has been made as yet. Without a doubt, the government were hoping for some idea to come from someone else, not having any ideas of their own; they were trusting in Providence, as they usually do, waiting like Micawber for something to turn up, and at last, after two days of debate, the Minister of Labour rises and talks for practically three hours—an hour and three-quarters last evening, and over an hour to-day—and we have listened to the veriest drivel and a most infantile sort of attempt to deal with this problem. I do not wish to be extreme, although this may sound a little that way; but in the whole course of his three-hour speech I was able to recognize no atom of thought which he had given to this problem; I was able to recognize in his remarks no hint of a remedy. In fact, sir, as far as I could see, he not only has no idea of a remedy for this problem but he has no idea that there is a problem at all in this country at the present time. He is the representative of labour in this house; he is the hon. gentleman who speaks on labour problems for this government, so no doubt he was speaking for the government last night and to-day. If that speech is any criterion of what the government thinks, then it is a veritable policy of futility, hopelessness and despair. When we consider our great country, this land of promise with its wide open spaces, it is appalling to think that the government has no policy on this question, any more than it has on any other question, except the policy of hanging on to power.

The Minister of Labour, who has just taken his seat, did what most of the other ministers —including the Minister of Interior the other evening, the Prime Minister and various other ministers at different times during this session—have done; he claimed a prosperous condition in this country and referred to "blue ruin talkers" when speaking of those who pointed out that things were not as prosperous as they tried to make out. I fear that the trouble with the Minister of Labour is that he is so prosperous himself; that he has reached realms of prosperity beyond his fondest dreams in days gone by, and he mistakes his own personal prosperity for the prosperity of this country.

Mr. YOUNG (Saskatoon): The hon. gentleman should not forget that he is sitting in millionaire row at the present time.

Mr. MANION: But I must remind my hon. friend that I am not one of the millionaires, I am sorry to say. I wish to point out that in the three hours which the last speaker took, he devoted about half an hour to pointing out the difference between his viewpoint on unemployment insurance and that of the Prime Minister, and he took another half hour in an attempt to prove that neither one had meant what he said. Then he took another half hour to read statements made by provincial premiers at the opening of legislatures—when premiers are naturally taking the most optimistic outlook that they can —apparently in order to try to prove by these statements that there is no unemployment at

all. Then he took the better part of an hour last evening and more time to-day to criticize myself, misquoting statements which I have made at various times.

I must confess that I felt a little sorry to be forced to interrupt so often, but I have had a great deal of experience with the hon. gentleman, and if one does not correct his statements at the time they are made, his methods in northern Ontario are something like this: He would go back with this statement which he made, if it were not corrected immediately, and on the back concessions he would say, "I said this to Doctor Manion's face, and he did not have the courage to contradict me." The hon. gentleman has a method of his own, a method which is cunning, if one cares to stoop to it during election time. He has a habit of misquoting statements and misstating facts, and after he has done that for a week—

Some hon. MEMBERS: Order.

Mr. MANION: He spends a week doing that sort of thing during election time, and then on Sunday he goes to church and prays that the good Lord will not allow anybody to come around to tell the truth during the next week.

Some hon. MEMBERS: Order.

Mr. MANION: He also conjured up in his brain—if I may use that term after listening to his three-hour speech—a sort of idiotic delusion that in some way I had endeavoured to stop the building of the trans-Canada highway.

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. gentleman is a very old and wise parliamentarian, and I have the highest regard for his ability. Surely he knows that "idiotic" is not a parliamentary expression.

Mr. MANION: Well, Mr. Speaker, I withdraw the expression, but I wish to point out that I did not say the minister was idiotic, but that the delusion was idiotic. However, I will withdraw the word. At any rate, the minister conjured up in his mind the delusion that in some way I was endeavouring to block the building of the trans-Canada highway. I wish to state, Mr. Speaker, that I advocated the building of such a highway not only here the other day in a speech on that very question, but elsewhere on the hustings, and whenever the question has come up I have taken the same attitude.

The hon. gentleman took some time to deal with the attitude of the province of Ontario. I also wish to deal with that question for a moment, although I have only forty minutes in which to speak, and not three hours as was the case with my hon. friend. However, the province of Ontario has taken the attitude that there are certain sections of that highway, particularly the section between Sault Ste. Marie and Fort William, the construction of which will not aid agriculture or any other interest, but will be of advantage only in uniting the east and the west. Having taken that attitude, which is a logical and straightforward position to take, they suggest that for the purpose of uniting the east and west by a transcontinental highway they should not be asked to build a stretch of road some hundreds of miles in length, across that more or less barren section of northern Ontario, and they suggest that in the interests of Canadian national unity this government should cooperate with them in the construction of that highway. With that attitude I entirely agree, and in addition I should like to point out that if this government had cooperated with the Ontario government in that work during last fall, they would have helped the unemployment situation to a very great extent. Let me point out in passing that the Ontario government to-day is building in my section of the country some sixty or seventy miles of road which will be part of the trans-Canada highway, despite the higher winter cost. That construction is being carried on largely because of the demands for unemployment relief which have been made in that section of the country. I was a member of that deputation which visited Mr. Ferguson and the rest of the government, which deputation made a statement upon its return that the Ontario government was going to help relieve this situation.

The hon. minister consumed some time in reading from an order in council passed during 1921 by the government of which I was a member, in which the preliminary statement was to the effect that unemployment was primarily a municipal matter, and secondly a provincial matter. He stopped reading at that point, with the intention of course, of leaving it at that, but the hon. member for Vancouver Centre (Mr. Stevens) insisted that he read the whole order in council. I have a copy of that order in council before me and it shows that the government had spent $600,000 during the previous nine months in assisting unemployment; that they had offered to the municipalities of this country one-third of the extra cost entailed by the construction of municipal works during the winter months; and where that did not succeed in relieving the situation the government offered food and shelter to the unemployed who remained. If

the present government had taken that same attitude—they had this order in council before them, as was demonstrated by the minister's quoting from it—no great criticism could have been offered. Instead of that we have had nothing from this government in regard to this matter except words; such verbosity as we heard last evening and again this afternoon from the Minister of Labour.

Perhaps it should be mentioned that one thing has been done by this government during the last few years to relieve unemployment in Canada. Had this government not driven out of the country 111,000 Canadians annually for the five years of 1921-26 when they were in power, the number of unemployed would be much larger. Through that lack of initiative and lack of Canadianism they have perhaps helped this problem.

After listening to the lengthy speech of the hon. minister I have come to the conclusion that his labour friends, if he has any left, will decide that the sooner the Minister of Labour and his confreres, including the Prime Minister, join the ranks of the unemployed the better it will be for the country.

I am interested in this problem because the conditions in my own city of Fort William have been worse during the past year than for many years previously. Parades of unemployed have been held, and a deputation from that city joined with the deputations from the prairie provinces to interview the Prime Minister. I will admit that for various reasons the grain blockade has had a certain effect in increasing unemployment, but I submit that the policy which this government has carried on since 1921 has resulted in the closing of industrial plants throughout the country, including a number of plants at the head of the lakes. Those plants were running when this government came into power.

Mr. GARLAND (Bow River): What plants is the hon. member referring to?

Mr. MANION: The Canada Starch Company's plant employed over 300 workers in 1921, and because they were refused the infinitesimal protection which they asked on starch and glucose they were forced to close their plant in 1922. I have not the time to go into this phase of the question in detail, but I would mention another plant, the Canada Iron Corporation. That plant is at present running half time because of the Belgian competition in iron products. Labour is paid about $1.20 per day in Belgium, and the duty placed upon iron products coming into this country is so small that it permits Belgian iron to be brought into Canada through the Panama canal, Vancouver, Calgary, the home of my hon. leader, to be sold at prices lower than the Canadian products. I have named two plants to illustrate my point, but there are others in the city of Fort William which were running up to 1921.

Conditions in Fort William have been relieved to a certain extent by the action of Hon. G. Howard Ferguson's government. Considerable assistance has been given by work on roads which are being built despite the fact that it is very costly to carry on this construction during the winter period. The provincial government is constructing a portion of the trans-Canada highway, about which the hon. minister seems to have so much doubt. The provincial government has also assisted in helping to reopen a pulp mill in Fort William, which mill is now running and employing about 300 men. Deputations who attended upon the government from the province of Manitoba and other western provinces pointed out that those provinces also assisted, but this matter can be dealt with more fully by my western friends. I need only say that those deputations received no assistance from this government.

This unemployment problem is nothing new, although the Minister of Labour spoke as though he had not realized there was such a thing. I hold in my hand an article which appeared in the Toronto Globe of August 8, 1929, eight months ago, which is headed and which reads as follows:

Sleeping Under Stars, Starving Immigrants Vainly Seek Positions

Men Still Crowd Into Employment Offices, Many in State of Destitution—Professional Branch Official Supports Mayor Smaller Harvest Is Complication

Last Friday the seriousness of the problem was stressed in a report in The Globe based on the words of Superintendent Dobbs of the government employment office, Front street, who, when interviewed on the subject, definitely stated that there were as many people out of work in the city of Toronto as there were during the winter months.

And the article continues:

"It is hard," said this well set-up fellow,

Referring to one of the men:

"to be an optimist on a stomach crying out for food."

And again:

The exact number of men unemployed in Toronto is not known; but so far as unemployment is concerned, officials state that this summer is the worst experienced for many years, and all are agreed that something requires to be done immediately to ease the situation in Toronto.

There would appear to be nothing new about this matter. There is one member of this

house who should have realized the seriousness of this matter more than any other member, and that is the Minister of Labour. His own town of Kenora has been talking about this question for many months, and I hold in my hand a resolution passed by the council of that town. Kenora is probably one of the most important towns in that section of the country.

Mr. HEENAN: The most important town in Canada.

Mr. MANION: I will admit that if it will please the minister. This resolution was dated December 27, and reads as follows:

The council of the town of Kenora view with alarm the problem of unemployment prevailing at present due to conditions over which this body has no control, and for the relief of which it would be utterly impossible for local authorities to assume the whole responsibility on account of the financial aspect.

Therefore this body hereby instructs the mayor and clerk to petition the Dominion and provincial governments to send representatives to a conference to discuss the situation with a view to such governments assuming a portion of the cost of relief work started by the town, and to undertake such provincial and Dominion government work or works already commenced and in prospect by the different departments as will seem justly possible to do.

And that copies of this motion be sent to Hon. W. L. Mackenzie King, Prime Minister, Hon. Peter Heenan, Minister of Labour, Hon. G. Howard Ferguson, Premier of Ontario, Hon. Dr. Forbes Godfrey, Minister of Labour for the province of Ontario, Hon. William Finlayson, Minister of Lands and Forests.

And that January 7 be suggested as the date of the said conference.

Unemployment was not a new thing to the Minister of Labour, or it should not have been if he had been paying any attention to his own home town; for I find another article published many weeks earlier, which I will read for the minister's edification. The minister himself quoted from the Kenora Miner and News, and I would like to read an article which appeared on November 4. It is as follows:

The Hon. Peter Heenan, Minister of Labour in the Dominion government, was in this riding during almost the whole of the provincial election campaign and had been here a great portion of the time since July travelling up and down in a splendidly equipped private car. We doubt if he was observant enough to notice that each night the station waiting room floors on the Canadian National Railway and Canadian Pacific Railway lines were almost covered with sleeping men, who were beating their way east during the day time on freight and passenger trains. Strong, fine looking men, unable to obtain work in the west, were risking their lives to reach the east. He had no message of hopefulness or cheer for these men, broke and buffeted about as they were.

The same Hon. Peter Heenan, Minister of Labour, voted against a proposal at the last session of the Dominion house to make a grant of $10,000,000 to the provinces for the purpose of assisting in building the trans-Canada highway. This amount would have materially assisted in providing work for the army of men who have daily for many weeks been beating their way east on the railways at the risk of their lives.

The town of Kenora has been drawing this matter to the attention of the minister. The hon. minister has been boasting in the house of the fact that he helped the present provincial member for Kenora in a successful contest for that seat.

Mr. HEENAN: The article the hon. member has just read was written by the defeated candidate just after the election.

Mr. MANION: So was the article the minister read written by the defeated candidate. It was written by the same man in the same paper. It apparently all depends on which foot the boot is on. This is from the Ottawa Citizen and the action happened on February 20, the very day that the Prime Minister (Mr. Mackenzie King) put into the mouth of His Excellency the statement that the country was enjoying the utmost prosperity. The Labour member in the legislature at Toronto made the following speech:

The only Labour member in the house, in resuming the debate on the address in reply to the speech from the throne, said that unemployment in Kenora was very serious, and he believed the government should render immediate aid, either through providing work on highways or by grants of money to the municipalities.

That was the very day the Prime Minister put into the mouth of His Excellency the statement that conditions in the Dominion of Canada were so prosperous. The minister had this matter drawn to his attention early in the year, and in fact late last year by various labour organizations in this country, asking for a conference, and he gave out a statement which is published and which I hold in my hand. This is the heading in the Evening Citizen of the 17th December last:

Labour minister thinks no need for conference. Proposal to call meeting in respect to unemployment not favoured by Hon. Peter Heenan and government.

Then it goes on:

The federal government does not consider that any necessity exists for calling a conference with respect to unemployment, according to Hon. Peter Heenan, Minister of Labour, who issued a statement to this effect following a conference he had yesterday with the executive of the Employment Service Council of Canada. Among the considerations which impelled the

government not to convene such a conference were the fact that employment in Canada at the moment stands at the highest peak reached at this period of the year since 1920, and that further to this the great transportation companies and the government have embarked or are embarking on programs of work aggregating many millions of dollars.

Moreover, the minister does not think that a conference of the character that was recently held in the United States by President Hoover would accomplish any good in Canada.

That is the attitude of the Minister of Labour. In other words, he took the stand that there was no unemployment; that statistics showed that unemployment was practically at its normal position in this country. That was the attitude he took according to that statement which was published with that interpretation throughout the whole Dominion of Canada.

I well remember some years ago reading about the period of the French revolution. Louis XVI had a minister named Foulon—and possibly emphasis should be placed on the first section of the name—who, when he was asked on one occasion when conditions were bad in France, what the unemployed people were going to do, said: "Let them eat grass." This government does not even offer grass to the employed of this country; all it offers them is statistics of employment, statistics showing that they are employed. It tries to convince them by reiterating the statement by various ministers that the people are employed, have plenty of money in their pockets and plenty of food in their stomachs, in spite of the fact that they foolishly think they have not. While I was listening to the minister yesterday I was struck with the date on which the minister was making his speech. It was certainly an April Fool's speech so far as the workingmen of this country were concerned.

The President of the United States, in that vast and rich country thought it necessary, because he had it drawn to his attention that unemployment was rampant there, to call a conference, and a couple of Sundays ago I had the pleasure of listening to a speech over the radio given by Mr. Lawrence, speaking for the president. He said:

Speaking for Mr. Hoover, he said that while there was unemployment in the United States very great improvement had been shown in this since December first.

That was about the time of the conference.

He stated that in sixty days the whole condition should be relieved.

[Mr. Manion.]

He went on to say:

Only twelve states have unemployment trouble and no requests have come from them for help from the national government as their unemployment troubles are being looked after locally.

I took down these notes as I listened to the gentleman speaking, so the statements made from the other side that conditions are so severe in the United States are not correct.

The Minister of Labour and the Prime Minister have taken the stand that the government is not called upon to help this situation; that it is, first, a municipal and, second, a provincial problem, but a different attitude was taken by Mr. Brownlee, Premier of Alberta, and the Canadian Council of Agriculture whose resolution I have under my hand, who consider that this government is responsible; and we took the same attitude under the order in council in 1921 that the Dominion was responsible along with the provinces, and the municipalities. I repeat what I said in Winnipeg, that when it becomes so serious in our country it is a joint matter, federal, provincial and municipal.

As regards these deputations that came from the great lakes to the Pacific ocean to see the Prime Minister and his government—and the Minister of Labour was present at the interview—the Toronto Globe says that the Prime Minister took this attitude, and this is the day after the deputation waited upon him. Quoting the Prime Minister, it says:

"I can't understand why you gentlemen are stirring up and exaggerating this unemployment situation"—

He was speaking to the delegation.

—said the Prime Minister, after listening to complaints for two hours. "If the situation is as deplorable as you try to picture, why is not eastern Canada represented? The answer is that, generally speaking, the employment situation in Canada is not abnormal. I have a telegram from the government of the province of Quebec that conditions there are quite satisfactory. You advertise that there is unemployment, and the relief is to be sought from the Dominion government, and immediately there is a rush to the cities.

"Why turn to Ottawa?" he asks, "and why is it that when municipal and provincial problems arise the local authorities always turn to the federal government for aid? You say your public works are costing more and you want us to bear a portion of the extra cost. Well, our public works are costing more, and are you willing to help us pay for the extra cost?"

That is the attitude the Prime Minister took according to the Toronto Globe of the day following the visit of the deputation. I have

also a clipping from the Collingwood Messenger to the following effect:

Young men, clean limbed and able workers, arrive each day, penniless and hungry at the Orillia jail, with a plea for a night out of the cold and a breakfast in the morning.

All the papers in Canada were taking a similar attitude. In regard to unemployment insurance there was quite a discussion yesterday between the Prime Minister and the hon. member for Winnipeg North Centre (Mr. Woodsworth). The Prime Minister heatedly defended the attitude he had taken with regard to unemployment insurance. The headings in the Ottawa Citizen and the Ottawa Journal show that the Prime Minister's statements are sometimes misinterpreted. This is the heading in the Ottawa Citizen:

Canada to have insurance plan for unemployed.
Mr. King, replying to deputation seeking federal aid to municipalities and provinces, makes forecast of insurance.
Hopes to be able to work out plan soon.
All would be compelled to contribute during periods of employment.

The heading in the Ottawa Journal is very much the same.

Premier hopes relief scheme prepared soon.
Tells deputation insurance plan only permanent solution.

Mr. MACKENZIE KING: Why does my hon. friend not read the article instead of the headings somebody else puts on them?

Mr. MANION: I will read the articles. One can draw almost any conclusion from statements made by the Prime Minister. I do not wish to impute motives, but I think that is the purpose of the statements put out so that they will be misunderstood here and misunderstood there, and so that men will draw their own conclusions and perhaps vote for the government. The first paragraph sums up the situation and it is identical in the two papers. It is as follows:

Eventually Canada will have a system of unemployment insurance, Premier Mackenzie King predicted to-day in replying to a deputation seeking federal aid to municipalities and provinces on unemployment relief. This, he said, was the only constructive way to deal with the unemployment situation and he hoped it would soon be possible to work out an insurance plan.

People believed the Prime Minister meant what he said; they trusted him; they took his attitude as meaning that. Then the Prime Minister was asked a day or two later by the same gentleman, the hon. member for Winnipeg North Centre, what he meant by that statement. I have the question here, but have not the time to read it. I have also the statement of the Prime Minister in which he says, in effect, that it is a matter for the provinces to deal with, that so far as the Dominion government is concerned, if the provinces want to talk about it, the government will deal with them, but the provinces have no hope of getting help from this government. I think that is a fair summing up of the attitude of the Prime Minister. He now states that as far as he is concerned, this is not a Dominion matter at all. A few weeks later the Minister of Labour goes to London and makes a speech, which is summed up in a newspaper heading, as follows:

Government prepared to assist fund for unemployed. Would aid provinces to establish insurance scheme on contributory basis, says Hon. Peter Heenan.

I will read the first paragraph of the despatch:

London, Ontario, March 14.—The Dominion government is ready to assist the provinces in establishing unemployment insurance for Canada on a contributory basis, announced the Hon. Peter Heenan, Minister of Labour, in an address here to-night. In making this announcement Mr. Heenan said:

"As far as I am concerned I will utilize my every effort and the Premier will back me up to see that the labouring man who is out of work for any period of the year will have a right to expect and to receive a share of the profits he helped make."

In other words, it is simply a matter of blowing hot and blowing cold on this question, with the hope that different sections of the country will draw any conclusions they wish, and probably go on supporting the government.

So far as the Prime Minister is concerned, and I think this applies particularly to him when making public pronouncements, he reminds me of the saying of the brilliant Frenchman, that language was given us to hide our thoughts. If I applied that to the Minister of Labour, I am afraid that I would have to say that language was given us to hide our lack of thoughts. I am afraid that the Minister of Labour forgets or never knew that there is supposed to be ministerial solidarity under constitutional government. Ministers are expected to take on matters of policy the same attitude. You cannot have one minister taking one attitude in one section of the country, and another minister taking a different attitude on the same question in another part of the country, because each minister speaks for the government. He cannot speak on his own behalf; he speaks for the government. I suppose the Minister of Labour forgot that. He was apparently not speaking in London in a ministerial sense at all, but in a Pickwickian sense. I submit to the Prime Minister that

the people of this country are anxious for frank and candid statements from the government at the present time on all matters of public policy. They are tired of political humbug; they are weary of political shell games, played with the idea of catching votes in various parts of the country. They want public pronouncements made in such a way that they cannot be read in any way the reader chooses to take. The Prime Minister gives out statements continually, both to this house and outside, that may be read in any sense; for instance, his statement on unemployment insurance. Let me give three instances which have happened recently. There was his statement with respect to unemployment insurance with which I have been dealing, and which everybody understood to mean that this government was going to bring into force unemployment insurance. Now the Prime Minister contradicts that. The Minister of Labour takes the other attitude, and no one knows just where the government stands on this question.

The Prime Minister not long ago gave out a statement in this house on the liquor export question, in which he said that the only question was that if we did not straighten this difficulty out, it meant danger of war between the two countries. His statement was interpreted in that way by the papers of Canada and of the United States which referred to his speech. When the matter was brought to his attention by my hon. leader a day or so afterwards, the Prime Minister took the attitude that he did not mean that at all. Well, Mr. Speaker, if his statement did not mean that, it did not mean anything. That is all I can say.

So far as the tariff is concerned, we have the Prime Minister taking various attitudes in various parts of the country. His ministers take contradictory attitudes in different parts of the country. The Minister of National Revenue (Mr. Euler), for instance, at Brantford came out flatly as an out-and-out protectionist. Ten days afterwards—I notice that an interval of a few days is always allowed to elapse between these ministerial utterances so that people can forget, I suppose, the statement just previously made in another section of the country by another minister—the Minister of Finance at Regina said that he was a low tariff man, and he emphasized that very strongly. The Minister of the Interior (Mr. Stewart) takes the death-knell attitude on protection. The Minister of Labour and the Minister of National Health (Mr. King), well the Lord only knows what attitude they take. They are probably drifting around waiting for some life preserver to float within their reach that will be to the advantage of the government. Undoubtedly, in the whole realm of politics in this country, in the United States, and in England, there is no question upon which political parties differ more fundamentally than upon the tariff, and yet, and to my mind this is the most severe criticism that anybody can make of this government, within three or four weeks of the budget being introduced, there is not a man or woman in this house or outside of it who has the slightest idea whether the government in its budget will raise or lower the tariff.

Mr. HOWARD: Wait and see.

Mr. MANION: That is the policy of the government on everything.

Mr. McLEAN (Melfort): Is not that always the case with the budget in every country?

Mr. MANION: No, it is not true of any other country where the government takes pride in pronouncing its attitude upon any public question. But this government takes the wait-and-see attitude, and nobody knows its attitude to-day on any question that is before us.

Mr. McLEAN (Melfort): May I ask one other question?

Mr. MANION: I have only five minutes left. I do not mean to be discourteous, but I am pressed for time.

Mr. McLEAN (Melfort): Does the Chancellor of the Exchequer in Great Britain tell beforehand what he is going to do in his budget?

Mr. MANION: Yes, he does. Within the last two weeks he said that he was going to wipe out absolutely any vestige of protection that remained in the Safeguarding of Industries Act.

Mr. McINTOSH: The Chancellor's statement was very general; there was nothing very definite about it.

Mr. MANION: It is absolutely definite. They are a free trade government, and they are taking the free trade attitude. We believe in protecting our industries at all times, and we take a protectionist attitude. But this government takes no attitude on anything.

I wish to point out to the Prime Minister this: He is going to be defeated at the next election because of two main reasons. One is because of this political humbug that this government is putting over on the people of this country at all times. The people have awakened to it; they are wise to the fact that this government cannot be depended on

in any statement it makes on any public question before the people of this country. P. T. Barnum said that you could not fool all the people all the time—I do not take time to quote his saying in full—but I want to say that this government has fooled the people so often that it cannot fool them any more.

There is a second reason why this government is going to be defeated, and I might as well hand it to the Prime Minister now, and that is because of his continued subservience to the United States. Perhaps I should put it in his own words, and say his don't provoke Washington policy. I admit frankly that he has not provoked Washington, but he has provoked hundreds of thousands of red-blooded Canadian people who look on Canada as a proud young nation, and not as the hinterland of the United States. The people are awake to all this political humbug and this subservience to Washington, and are waiting for a chance to express themselves on these two matters.

My time is almost up. Let me say in closing what the government should have done in regard to unemployment. In the first place, they should have called the conference which was asked for by the labour unions of this country from one end to the other. Secondly, they should have cooperated with Ontario and the other provinces, and supported the members sitting to your left in this house who urged upon the government a policy of highway construction, which would have relieved unemployment to a large extent. Thirdly, they should have taken the attitude that was outlined by the Minister of Labour in 1921, and which they had before them, under which we gave help in various ways to the provinces to relieve unemployment. Fourthly, and this is the most important of all, for a permanent cure—not a complete cure for unemployment, but it would lead to a substantial reduction of it—they should bring in a policy—I know they will not, but we will shortly—they should bring in a policy to stop our importing hundreds of millions of dollars' worth of goods from the United States which we could produce at home, and large importations from other countries as well as the United States of fruits and vegetables, butter and eggs that we could produce here. They should bring in a policy to hold the home market for the Canadian people. They should remember our importations of iron and steel products amounted to $340,000,000 a year, products that we could manufacture in this country, and sixty to seventy-five per cent of the value of which would represent work and wages for the people of Canada. They should remember that every ton of iron ore used in the blast furnaces of the Dominion are imported from the United States. Premier Ferguson put legislation through the Ontario house this year granting a bounty to encourage the development of our own iron ore when he could not get cooperation from Ottawa. Let the government look at the conditions in France and Britain. In France, under a protectionist policy, there is no unemployment and she has been able to absorb tens of thousands of workmen from other countries. But in Great Britain, just across the channel, there are a million and a half unemployed at the present time. Sir, it is time we had a government with some policy, with some courage, with some leadership in this country, if we are to solve not only this problem but the other pressing problems that confront the Dominion.

Mr E. J. GARLAND (Bow River): Mr. Speaker, I wish I had the vocabulary and speed of the last speaker (Mr. Manion). I congratulate him on the tremendous amount of material that he got into a comparatively short space of time. I congratulate also the Minister of Labour (Mr. Heenan)—

An hon. MEMBER: On what?

Mr. GARLAND (Bow River): On his extreme courtesy and patience throughout his entire speech. He showed a good deal of tolerance and forbearance. I am sorry I cannot congratulate him on the aggressive, constructive attitude that I had hoped for from him as representing the government. It is only fair to say, Mr. Speaker, that the minister has to some slight extent begun to meet the aspirations of labour. The introduction of the eight-hour day in the civil service, the regulations improving the fair wage clauses, are all to the good; but of course they do not touch the real problem of unemployment. It is that to which I wish to direct my remarks in the short time at my disposal. I think it was Thomas Carlyle who said that a man willing to work and unable to find work is perhaps the saddest sight that fortune's inequality exhibits under the sun. And yet Carlyle had not the opportunity in those days of seeing what we have seen in the west—magistrates and judges saying to the unfortunates who had been taken off the street by policemen, "There is no use my giving you thirty days, you will be back here again; there is no employment for you; the best I can do for you and the country is to put you in for three months." That state of affairs has existed during the past winter and throughout previous winters. That there is

serious unemployment in Canada no one can deny unless he be mad or blind or shuts his eyes to the actual facts that confront him. That there is actual unemployment in every country of the world to-day, almost without exception, so far as I know, is also true. So it is no use for the last speaker (Mr. Manion) to offer protection as a solution or to blame free trade as the cause of the trouble. As a matter of fact the problem of unemployment is due neither to protection nor to free trade. Although, if there could be a general application of the latter principle I think you would find possibly there would be less unemployment than we have to-day under protection. But even that remains to be proven. One fact does stand out, that protection as such does not either raise wages or increase employment. In that connection let me give the house one brief quotation in support of my statement. It is from an article by one of the greatest of the European economists, Henri Lambert of Belgium. He says:

> It is untrue that protectionism, preventing importation and making for a self sustained people, is a source of higher wages and a factor of a higher standard of living; on the contrary protectionism tends to lower both and it is free exchange only which can have such favourable results.

He now gives his reason:

> All imported things are paid for by equal values of exported things. Therefore to begin with importation does not and cannot reduce home production, demand of labour and wages.

I think hon. members who have studied the question at all realize that the old slogan used by protectionists, "protection protects the worker," is all tommyrot. Let me give Mr. Lambert's view in that connection, that protection protects the worker to the same degree and for the same reason that the farmer protects the cow. These are his words:

> "I protect my cows," says the farmer, "I know why I do this, but the cows do not." So is it explainable that with the consent of the workmen and the gradual auto-suggestion of the farmers, protection has become for most peoples an economic credo—which indeed in the future will be considered as the most mischievous and widest spread superstition known in the history of men.

I question that latter statement myself. I think the widest spread superstition known in the history of men is the fetish of the gold standard. However, that in passing.

I wish to support my previous statement that unemployment is not confined to Canada or to the United States. It is a world-wide problem. The problem cannot be laid at the door either of the present administration or of my friends of the opposition. It would not matter which government was in power at the moment, we would still have unemployment and will continue to suffer from it unless it is tackled in some fundamental way. I quote from the Christian Science Monitor of May 10, 1927:

> Walter R. Layton, the British economist, estimates the total number of persons whose breadwinners were unemployed in Europe at 10,000,000.

I quote also from Leland Olds of the Federated Press:

> In the United States 4,000,000 unemployed.

This is for 1928, and conditions are even worse this year.

United States	4,000,000
Germany	1,548,000
England	1,178,700
Russia	1,127,000
Italy	414,000
Austria	224,000
Holland	220,000
Poland	117,000
Denmark	86,000
Canada	75,000

A large increase this year must be admitted.

Czechoslovakia	50,000
Portugal	50,000
Other European	97,287
	9,186,987

Or a grand total of almost 10,000,000 in 1928. There is no doubt also that in addition to the normal unemployment—if it can be called normal—you have exaggerated unemployment in this country at the moment as a result of several causes. We had a small crop, with reduced purchasing power on the part of the farmers, resulting in a smaller volume of wheat moving one way and goods the other, followed by a great decrease in the employment of railway workers. Then you have a slowing up of orders, resulting in a slackening of the output of the factories of eastern Canada, and the laying off of men in almost every industry in the country. One of the main factors undoubtedly, is the smaller crop, about half the volume that western Canada produced in 1928. On top of that you had the stock market crash. Now, although the stock market collapse it is alleged, wiped out mostly paper profits, there is no doubt it did also wipe out a tremendous amount of savings of small investors, stenographers, clerks, managers of stores, heads of departments, and so on. They all put their savings in the stock market, and those savings were wiped out when the crash came. The result is there has been a considerable reduction in the purchasing power of the masses. One of the greatest truths discovered in the last four or five years on the

American continent is—and it is a wonder it was not discovered long ago—that one millionaire cannot consume ten thousand pairs of boots and shoes in a year, but give ten thousand people the purchasing power and they will consume them. That truth is just beginning to make itself apparent to industrialists, financiers and employers of labour. The root cause of unemployment as we have it to-day is just that lack of purchasing power. There is not a sufficient volume of money or buying capacity given back to the producers of the world to buy the goods that they produce or are capable of producing. I do not think anybody can challenge that statement. I will attempt to show you in a moment that the problem has increased enormously because of the tremendous productivity of men to-day as the result of labour saving devices. In Canada we have some exceptional conditions, some of which are permanent, and must lead to a greater proportion of unemployment in this country than in the older countries. One is embodied in the reference quoted by my hon. friend the Minister of Labour from the report of the Ontario commission, which pointed out that because the country was new and its development more rapid than that of older countries, periods of depression were likely to be more extreme, leading to longer periods of temporary unemployment. On top of that we have the climatic factor recently referred to in some newspaper despatches as the most formidable question which arises in regard to unemployment and which makes some such protection as insurance for the unemployed seem most desirable. We admit Canada is prosperous; we admit its prosperity and its productivity. We grant you at once that the revenue of the various provinces during the last year has been very great, that the resources and the man power are there, but we deny definitely and conclusively that prosperity has descended to the common people of this country. The purchasing power of prosperity has not been spread out in a fair and equitable manner. A recent newspaper article goes so far as to say:

> So prosperous a country as Canada could almost afford to disregard the whole subject of unemployment, were it not for her climate, but because of that one factor, if you excepted all the others, there are so many people out of work each winter that prosperous or not we must be prepared to treat unemployment as a permanent problem. We must do so for the reason that climate becomes the most conspicuous difficulty in the face of Canadian unemployment insurance.

Just in order to refresh the Prime Minister's mind on this point, I have some things I would like to say. He suggested recently that all the provinces were particularly satisfied with the situation. I wish to refer him to the report of the meeting of the Calgary council appearing in the morning Albertan of November 26:

> With every member of the council agreeing that the situation is one of the most serious which has faced the city in many years, discussion of unemployment featured proceedings at the city council meeting Monday night.

I have also in my hand many telegrams from various sections of Alberta. The one I intend to read will illustrate the situation and is illustrative of the general condition:

> Drumheller, January 9, 1930.
>
> E. J. Garland, M.P.,
> Rowley, Alberta.
>
> Have sent the following wire to Walter Smitten, Hon. Peter Heenan, Ottawa, and Premier Brownlee, Edmonton. "Many returned men and families absolutely destitute Drumheller and Wayne valleys owing to unemployment. Situation desperate. We demand immediate steps be taken to relieve this situation."
>
> C. G. Durham,
> President and Executive Canadian Legion.

Let me jump from Alberta to Nova Scotia. Some hon. member referred to the very prosperous condition of affairs in Nova Scotia. The Dominion Bureau of Statistics has published some factory figures covering that province. While they relate particularly to it, they reflect the continent-wide trend of affairs. These figures show that in the year 1890 there were 34,944 men employed in the factories of Nova Scotia; by the year 1927 the number had shrunk to 17,840, which represents just half of the first number. During the same period, however, the output of the factories had increased from $30,000,000 a year to more than $74,000,000 a year. Briefly, that means that in twenty-seven years the output per worker had increased more than five times.

Mr. McLEAN (Melfort): In dollars, but not in quantity.

Mr. GARLAND (Bow River): I shall touch upon the question of dollars in a minute John Jacob Raskob, who is well known to this house by reputation at least, a leading financier and business man of the United States who can be quoted with some authority, now recognizes that industry can produce more than it can sell. He states frankly that it can produce more in five days than it can find an outlet for in seven. The only solution he can see for such a situation is to shut down two days a week instead of one as is the custom at present. That is not the way to approach such a problem, of course, for it would but make the position of the worker worse.

I was very sorry that the last speaker did not definitely place himself on record as favouring some action on the part of the government in regard to unemployment insurance. I recognize that the inauguration of unemployment insurance alone is not a solution for the problem; it would only be a temporary relief of it, but will alleviate extreme suffering. I wish to refer to a very respectable publication, popularly known as The Thunderer—the Times of London, England—on this subject. In discussing unemployment insurance, whilst approving its use, they admit that it would not solve the problem permanently, but would tend to remove utter destitution. We in this section of the house, and doubtless other hon. members of the house must seek to remove the misery, suffering and loss to the community caused by utter destitution of our working people as the result of unemployment.

I now come to that phase in my discussion touching the effect of labour saving devices on the productivity of man. James L. Davis, Secretary of Labour for the United States of America, says that the United States can make in seventeen days all the boots and shoes that are required by that country for a period of one year. Is that not an imposing illustration of the strides that have been made in labour saving devices in recent years? The United States coal mines can produce in six months all the coal that is required for the United States for one year. It is our distribution system that is at fault, not our system of production. We have almost entirely solved the problem of production, but have not even commenced to touch the problem of distribution. Governments are not even making an intelligent contribution to research in the solution of this problem. To my mind it represents one of the greatest problems facing us to-day, if it is not the greatest.

When we consider what we call our present economic system, I am reminded of the story of the homesteader who hired a sailor and gave him a team of oxen and a plough. I do not suppose the sailor had ever before seen a plough or a team of oxen, except in the picture papers. The sailor went out to work in the forenoon, and returned to the farmer with the following complaint: The starboard ox is on the larboard side, the larboard ox is on the starboard side; the rudder is bust, the steering gear bent and the whole doggone works has gone to the dickens. The present economic and financial system tends to introduce a condition of affairs quite like that. Everything is topsy-turvy; production runs on almost unguided, excepting by the profits which are made. As yet the people have failed to realize that profits depend almost entirely upon consumption, and consumption depends upon purchasing power. If the people cannot buy the goods they produce we must inevitably come, some day or other, either to a crash as illustrating the experience of the sailor, or to a solution of the problem.

I referred to the boot and shoe industry. It is not many years ago since the man who made boots and shoes by hand turned them out at the rate of two pairs a week, or roughly 100 pairs a year. To-day, with improved machinery, one man can produce 1,800 pairs of shoes a year, or rather not in a whole year but in 260 days. Then take the Buick branch of the General Motors business. In the year 1923 that plant increased its production from 625 cars to 1,000 cars, with a reduction of 5,000 men during that year.

Mr. YOUNG (Weyburn): Was there any corresponding reduction in the price of the cars?

Mr. GARLAND (Bow River): I will let my hon. friend answer that, he is an authority on that question. In the steel industry, to which reference was made by the hon. member who preceded me, seven men now do the work of sixty in the casting of pig iron and two men do the work of 125 in its loading. One man replaces forty-two men in the open hearth furnace. In the machine and repair shops of the railways you will find the following condition: One man replaces 25 men, using five to ten semi-automatic machines; four men in five to seven hours can do what it took eight men three weeks to do in the repairing of locomotives. This latter change is due almost entirely to the introduction of the acetylene torch. In 1914, which is the basic year with which most of these comparisons are made, it took from fifteen to thirty hours to turn one pair of locomotive tires. To-day, in eight hours the same man power can turn six pairs of locomotive tires. Why, Mr. Speaker, I could go on almost illimitably illustrating the extraordinary change in production capacity which machines have made in our modern human life. One more illustration: A single machine in the city of Chicago produces 40,000 bricks an hour. Formerly it took one man eight hours to produce 450 bricks.

Mr. ADSHEAD: Can the hon. member tell us anything about the man power the combine has saved in the west?

Mr. GARLAND (Bow River): Some four years ago I think western Canada had three or

four combines; we were just beginning to be interested in them. I think last year it was estimated—I am not certain of these figures, but they are approximately accurate—that there were between 5,000 and 6,000 combines. Each machine is estimated to displace from five to ten men, depending upon its size.

Mr. ROSS (Moose Jaw): More than that.

Mr. GARLAND (Bow River): Very well, we will say ten men to the combine on the average. In other words, we need 60,000 harvesters less each year, or a number equivalent almost to the entire harvester excursions which formerly moved from east to west. That alone is a significant fact in connection with this whole discussion.

Now, Mr. Speaker, I turn for one moment to Great Britain. I find that one of the greatest authorities there, Mr. Arthur Kitson, who is a manufacturer, an authority on financial questions and also president of the British Banking Reform League, says:

It is quite certain that the need for labour must become less and less with the growth of inventions and the increase in industrial efficiency. Indeed the real problem we have to solve is not so much that of finding constant employment for our people as our supplying them with life's necessities and comforts out of the abundance of goods created. Even to-day the labour of less than 10 per cent of the population will readily suffice to maintain the entire inhabitants of this country in a high state of comfort. Suppose discoveries and inventions during the next half century result in the displacement of all manual labour by machinery, must the bulk of the world's inhabitants then perish?

Is work to be the sole basis of living, Mr. Speaker? We will have to answer that question sooner or later. Sir Charles Sykes, a Yorkshire manufacturer, says:

The problem of unemployment or its cause is not due to a defective system of production, but to a defective system of distribution.

As I said, I could continue almost endlessly with illustrations of how jobs are vanishing from under the hands and eyes of the workers of the world. We find a striking illustration reported by the United States department of labour, whose report, referring to the copper refining industry, says:

The figures show that during this period of nine years,—

That is, from 1918 to 1927.

—the number of men employed was reduced from 578 to 233, with a coincident increase of about 10 per cent in total output.

Then you find another in the automobile business as a whole; you find since 1922, that 1,400 per cent more cars are produced with only ten per cent more men employed. It would be unfair for me to conclude this part of my discussion without reference to a newspaper which has done much to educate the public with regard to this question. I refer to the Ottawa Citizen. In an editorial appearing some time ago it dealt with this situation, and hon. members might compare this editorial with the statement of Sir Charles Sykes, the Yorkshire manufacturer, with that of Mr. Arthur Kitson, or with any other authority dealing with the question, and a striking similarity in their conclusions will be found. The editorial states:

If every able-bodied adult in Canada were set to work eight hours a day at productive labour, there would result such a surplus of production that the factories would be closed down in a very short time, even if the goods were given away, simply because the power to produce is greater than the power—but not the capacity—to consume.

That the increase of purchasing power among the masses of the people is a necessary first step towards industrial prosperity is recognized by students of up to date economics. So far as unemployment is concerned, it seems logical that the one solution is to find some way of diminishing the hours of labour without reducing the purchasing power of the individual.

That is only a part.

Whether the present industrial system can be reorganized on this basis is a question for discussion and solution. The fact remains, however, that only along this line does improvement seem possible. It is not debatable that improvement should be made, if possible, by orderly rather than violent means.

At this stage perhaps I should draw just one more comparison. Not long ago I picked up a United States publication called Labour, coming from Washington, under date of December 14, 1929. In that publication I find the following editorial:

Fewer Workers, Less Pay—And More Work

Some figures in the last report of the Interstate Commerce Commission are very important if not wholly pleasant reading for railroad workers.

The average number of rail employees in the United States during 1928 was 1,656,411, and their total pay was $2,826,590,000.

This is a drop, in round numbers, of 79,000 employees and of $84,000,000 in compensation as compared to the year 1927.

At the same time, the reduced force of workers in 1928 handled 4,073,000,000 more ton-miles of revenue freight than the larger force handled the previous year.

Hon. gentlemen may reply, "But that is the United States, we do not have that terrible situation existing in this country." In order to give a comparison in this country I will quote Senator Robertson, the former Minister of Labour in the Meighen cabinet. That gentleman points out that the Canadian railways

employed 9,000 fewer men in 1927 than they did in 1920, and paid them $23,000,000 less in wages. This in spite of the fact that there was an increase of 1,500 miles of railways operated during that period and an increase of about 30 per cent in the volume of traffic handled.

I think these facts speak eloquently for themselves. I wish I had the striking delivery and verbiage of some of our older statemen. No finer picture could be drawn of what is actually taking place at this moment, and of what has existed for the past twelve years, than the picture drawn by Disraeli himself of similar conditions which existed in his day. Over eighty years ago these words were uttered by Disraeli:

> A spirit of rapacious covetousness desecrating all the humanities of life . . . is our besetting sin.

The words used by Disraeli were "England's besetting sin." The quotation continues:

> The altar of mammon has blazed with triple worship. To acquire, to accumulate, to plunder each other by virtue of philosophic phrases, to propose a Utopia to consist only of wealth and toil, this has been our breathless business for the last twelve years, until we are startled from our voracious strife by the wail of intolerable serfage.

The hon. member for North Winnipeg and his colleague represent the wail of intolerable serfage; the rest of you may place yourselves where you will.

Perhaps sufficient has been said regarding immigration and its effect on unemployment in Canada, but I wish simply to point out one fact which may be of interest. During the last two years there is no doubt that unemployment has existed, and that it has been known to the Minister of Labour and to the Minister of Immigration. During that period 331,775 immigrants were brought into Canada. The unemployment condition was such, particularly in the west, that protests were registered. Western cities sent delegations to Ottawa, and correspondence took place between the premiers and the Minister of Labour. But has there been a cessation? Have the gates been closed until unfortunate Canadians have found jobs? Not a bit of it. During the one month of January, 1930, 290 immigrants were admitted to Canada, destined for the province of Alberta alone. This has been done in the face of protests which have been lodged with the federal government. Is there one industry in Canada in which there is at the present time any shortage of labour? If there is not, then for heaven's sake let us close the gates at least a little while until employment can be given to the men already here.

[Mr. E. J. Garland.]

Mr. ADSHEAD: What about the 8,000 who are coming in?

Mr. GARLAND (Bow River): Let us hope that we may be able to stop them.

Mr. ADSHEAD: They are coming.

Mr. GARLAND (Bow River): That then is most unfortunate. Mr. Stuart Chase has treated this subject most eloquently. He asks the question, "Have you ever hunted a job, and if so, have you ever hunted a job when you were over forty years of age? If you have not done that, you do not know the tragedy of unemployment and you have no conception of what it does to the heart and soul of a human being, of what it does to his family." Have you ever heard a wife say, "Well, Jim is lucky if he can hold his job," or "John does not know when he will be out of work, perhaps to-morrow or maybe the day after." There is no permanency or no continuity offered to our workers under the present economic system. Without saying that it is the deliberate voracious rapacity to which Disraeli referred, it is evident that there is something wrong with a system which denies to the labouring man a permanency of employment. He does not know from day to day or from week to week whether or not the job upon which his family depends is going to continue. Such conditions are a disgrace to any civilized country. The whole thing is wrong, and Professor Soddy sums it up as follows:

> On Mondays, Wednesdays and Fridays science invents new methods of abolishing labour, and on Tuesdays, Thursdays and Saturdays new labours to relieve the consequent unemployment. This farce should cease.

Until he is placed in employment again he must remain a stranger to the buying market. In the meantime the community must care for him and his family in much the same way as though he were a steady permanent worker. But the unemployed are not cared for in any permanent way. They sometimes receive miserable charity, a thing which degrades and demoralizes their morals and reduces them to the miserable condition of almost industrial serfage. Public confidence is shaken and I say to the Prime Minister that his own government even is feeling the tremors of uncertainty caused by this unemployed situation.

There follows upon it immediately a curtailment of credit which deprives further numbers of employment, resulting in a greater decline of buying power which leads to a further reduction of credit and so on. The whole thing is a most extraordinary, uncontrolled, vicious system, governed only by the profits which those who control credit can make, and this is

the fundamental factor which governs the system under which we are to-day operating. I say to the Prime Minister that until he and his colleagues appoint a body to make a survey of economic and social conditions, a commission capable of intelligently analyzing this situation, he has not taken any step in the direction of a real solution of this problem. Unemployment and under-employment are two of the most destructive diseases which can visit any community, national or international. They render a human being physically unfit; they weaken his moral as well as his physical fibre so that when work does offer the man is unable to compete with those who have been in steady employment. One wretched condition leads to another. If this thing is permitted to go on it will sap the whole vitality and vigour of all nations; for this thing is not confined alone to our country. Children brought up under such conditions must inevitably be less virile, less conscious of their possible powers, than those brought up under privileged circumstances. Can the child in a home where they do not know from day to day where to-morrow's bread is coming from; can the child in a home dependent upon some form of charity, have the same self-respect as have your own children? The words are not at my command to bring home as I would like to this House of Commons and to the country the misery of this appalling cancer of unemployment and its effect upon the country.

I do not think it would be unfitting to state that I have no desire to make any political capital out of this matter, but perhaps it would not be out of place if we had a little cynical amusement at the expense of the Minister of Labour. I hope hon. members have recognized that I have made this an absolutely non-partisan question. It is a non-partisan question and must remain so. It is a problem the solution of which will require the massed intelligence of the people, the best brains we can procure. It is going to be worth while trying to find a solution. But here let me glance back to 1925 and read the following words:

> I am sure there is no need for me to argue that unemployment prevails on a very large scale. We have had delegations to the government at Ottawa, and we have recently had a delegation to this government at Toronto. Up to date, there does not seem to have been very much done to relieve the situation, other than one body "passing the buck" to another party.

These, Mr. Speaker, are the words of the Hon. Peter Heenan, M.P.P., speaking before the members of the provincial legislature of Ontario. At that time he deplored any attitude of "passing the buck." He referred to it in terms of contempt. I ask him frankly, as one member of the community to another, as one who is anxious to cooperate with him: Does he not think he to-day is "passing the buck"? And to the Prime Minister I say: Would it not be rather the part of courage and statesmanship to start out now and say definitely: We will accept the responsibility for initiating a scheme of unemployment insurance? I will give the Prime Minister and the Minister of Labour all my support in any program they wish to outline that will offer some relief—and that is all it would be at the moment—to this wretched unemployment problem.

But I continue. The Minister of Labour in the same address made a most eloquent appeal. He referred to the vast power of the country to produce, to its great resources, to its great plant capable of producing 20 per cent more than it was producing. He referred to the financial conditions, the amount of money there was in the country, and he almost wept tears because we were unable to solve the problem of unemployment. But he comes down to this towards the close of his speech:

> Men are out of work here because of irregular and uneven demand for labour. Some definite step ought to be taken now. Any government, which fails or refuses to help its people to procure the necessities of life, cannot hope to retain the loyalty of its people.

I am afraid the minister's statement at that time was but prophecy. Any government which neglects this appalling problem and fails to make some constructive contribution towards its solution, will undoubtedly lose the loyalty of the people of this country. The hon. member concluded with the following:

> I have dwelt at considerable length in connection with this question, because to my mind it is the most important question we have to contend with, and I sincerely hope that the time I have consumed will not be in vain and that some definite and systematic policy will be laid down by the governments of this country to meet this economic problem.

Not the Ontario government nor the Alberta government, nor any provincial government did he refer to specifically; he said: "The governments of this country." If we are to wait until provincial governments take the initiative, I am afraid we shall have to wait for a long time. At this particular point let me say this: I cannot strain or stress too vigorously the thought that this problem is a state problem and that the federal government as a major element in the state cannot reject its responsibility.

The Russell Sage Foundation, which by the way is an organization that was formed in

order to make an inquiry into the social and economic conditions of the United States and Canada, has this to say:

The study touched seventy cities and thirty-one states and Canada:

Widespread unemployment is now a constant phenomenon with far-reaching economic social, psychological and moral bearings. It found that from one to six millions each year were out of work for weeks and sometimes months at a time. In Great Britain unemployment had become so general for several years before the war that the government had been compelled to inaugurate an unemployment insurance policy in order to relieve the suffering caused by the so-called captains of industry being unable to manage the industry of a nation in the interest of the whole.

Now I turn to one who might be regarded as an even greater authority than the Russell Sage Foundation. This authority says:

The sacredness of human personality is more important than all other considerations. Without infinite regard for individual life, however obscure or deformed, impressions of social values are meaningless. Estimates of national power, pride in industrial growth, forecasts of world expansion—any and all of these which reckon material gains apart from human losses they involve, mistake for life itself the course texture of but a part of the garment of life.

The same authority goes on, and this is particularly relevant:

When idleness is the fault of the social order rather than of the individual concerned, it places the onus on the state to safeguard its own assets, namely, human beings.

That authority is the Prime Minister of the Dominion of Canada. He himself placed the responsibility on the state and he cannot now relinquish his share of the responsibility. If this problem is not tackled we admit that the law of the jungle prevails.

I might refer to other authorities who have made much the same statements. We have Brandeis, Couzens; we have the Minister of Labour in the United States and dozens of others who are steadily recognizing the state's responsibility to its own citizens.

But I must conclude. In this section of the house we are, so far as I know at the moment, unanimous to this degree; we ask that the government immediately initiate some sort of unemployment insurance which can be applied to all the provinces and which will depend upon concurrent legislation by them, involving, if you will, contributions by employer and employee. That is just one phase of the question. I now formally ask the Prime Minister to institute this year a survey into the whole economic and social structure of the country, a survey by Canadian economists—he will not have to go outside of Canada to find suitable men—in order that they may advise him as to a permanent solution of the problem. It is an honour to second the resolution of the hon. member for North Winnipeg.

Mr. ADSHEAD: Does my hon. friend not think that the statement made by the Minister of Labour in London bound the cabinet and the government to something?

Mr. GARLAND (Bow River): I have not read the statement, I say frankly, and so I cannot tell.

Mr. THOMAS CANTLEY (Pictou): Mr. Speaker, I take it that it is not necessary to enter into any argument to prove that there is a very large amount of unemployment in this country. I wish to thank the hon. member for North Winnipeg (Mr. Heaps) for having brought this matter to the attention of the house. With a great deal of what he has said I am in complete accord. With some of his statements, however, I cannot agree. For instance, he made this statement:

It is claimed by economists that during the past twenty years production has approximately doubled, but wages, that is, real wages, have remained almost stationary. That means that the position of the workingman has become relatively worse instead of better. When production becomes greater and greater, when we are able to produce more of the things of life, the position of the workingman should be better, but we find that it is exactly the reverse.

Speaking broadly, I think it will be admitted that the position of the working man and his family as regards not only the necessities of life but also its comforts and its sources of enjoyment is better to-day than it was, say ten, twenty or thirty years ago. As to that I do not think there can be any argument. I have lived all my life among a working people, coal miners, steel workers, artisans of various kinds. I know their scale of living is better and their opportunities for recreation are greater now, I am glad to say, than they were thirty years ago.

Again, the hon. gentleman stated:

It requires to-day a smaller number of men to produce a given quantity of commodities and that is why less labour is required and why therefore the amount of unemployment should become greater and greater.

To overcome that difficulty of growing and increasing unemployment, he suggests that what is required is a decreased working day and an increased purchasing power on the part of the masses. I fully agree that a shorter working day would give the workmen of this country more time for social enjoyment and self-improvement, and I believe that the great majority of our workmen would take advantage of such opportunities and would benefit very greatly thereby.

With his statement that this question is not provincial, but national in character, I am also in complete accord, as well as with his statement that we cannot expect provincial governments to deal with this vitally important matter, which is really a matter of trade and commerce, and should therefore come within the purview of the federal government, not the provincial authorities.

The Minister of Labour is reported as making the following statement in his recent address in the city of London:

> I believe during the time of depression the workers have some claim to the portion of profits made by their labour during favourable years.

I would like here to ask the Minister of Labour this question: How can the labourer obtain, or how can the minister obtain for the workers of Canada, a portion of the profits that they have made by their labour during past years—during say, 1929, or 1928, or during any past year? Does the Minister of Labour propose confiscation? If not, how does he suggest that the labourer can get his share of the fruits of his past labour? There is not much use in the Minister of Labour putting before the working people of this country suggestions of a kind which are absolutely impossible of being carried out.

So far as seasonal unemployment is concerned, we in Canada, due to climatic conditions, are bound always to have that problem with us to a greater or lesser extent. Such is preeminently the case in the mining centres of Nova Scotia, also elsewhere in Canada, in regard to some other occupations. But the question is much wider than simply one of climatic conditions; it is infinitely more serious than that.

In the matter of the coal output of the Dominion of Canada, I find that for February last, the output was 26 per cent below that of the previous month—January—and 11 per cent below the monthly average of the last five years. On the other hand, I find that our import of coal during February, 1930, was 1,043,041 tons—a substantial increase over the corresponding month of last year, and this notwithstanding the well known slackening up of trade and present unemployment.

While our domestic coal production during February last was 11 per cent below that of the monthly average of the five year preceding period—and many of our coal miners are on short time—the imports of Soviet coal, which began in 1928, increased during 1929, and it is said that they will be still further greatly increased during the coming season. For it is claimed by the coal dealers that a quarter of a million tons of this fuel will be by them imported into Canada during the coming season. What does that mean? It means that we are asking our miners in the east in particular—it does not apply so much to the west—to compete with Soviet labour. I shall not go into any lengthy disquisition as to what that means, because every man of intelligence in this house knows exactly what it means and what it involves. Should our miners in Nova Scotia be asked, and they are being asked, to compete with Soviet labour under all the degrading conditions that prevail in regard to that particular class of labour in Russia? That Soviet coal is admitted into Canada into Montreal, and to-day lies on the docks of Halifax without paying a cent of duty. It has been coming in, in very considerable quantities and will continue to come in larger quantities unless this government takes action to restrain it of which frankly I have very little hope in view of their past indifference.

Out of this question of unemployment, Mr. Speaker, arises one of the saddest tragedies of life that I know of. That has already been referred to much more ably than I can depict it by the hon. member for Bow River (Mr. Garland), who has just taken his seat. I know of no experience that is sadder than to see men, the fathers of families with small children at home, men who are able and willing and anxious to work and daily going out to seek it, being unable to find employment; while they and their families are suffering, in consequence, privation and want and distress. Unfortunately, such conditions do prevail in Canada to-day, and men in this condition are to be seen in scores in every considerable town and in all centres of population throughout Canada—from Sydney in the east to Vancouver in the west. I doubt if there was any time during the last fifteen or twenty years when unemployment was greater in Canada than it is to-day, speaking generally with respect to the whole country, and I do not think that the unemployment is confined exclusively to the industrial towns and cities.

One of the most depressing experiences that I have had in recent years is the meeting of a constant stream of men, both heads of families and young men, who besiege my door almost every day while I am home, pleading with me to find employment for them or to intercede on their behalf with the heads of local industrial establishments; and to see, as I have seen day after day for months past, scores of men of the army of the unemployed standing in groups outside the gates of our collieries, steel works, and car-building plants, looking for employment which is not to be

had. I suppose the same conditions can be seen in other industrial centres in Canada, though I cannot speak of my own knowledge as to that.

Again, consider the scores of young men who, after years of study, graduate from our universities each year, not one-fifth of whom, if indeed, one-tenth, can or do find suitable or congenial employment within the country of their birth, and must perforce go to the United States in search of employment which is denied them in their own country.

Unemployment insurance would probably help a little those who are temporarily unemployed, but at best it is only a palliative. It is no cure. It may help temporarily, I admit, but it is not the cure for unemployment in Canada. Unemployment in Canada is both agricultural and industrial and it is largely due to our vicious fiscal system. Inasmuch as the fiscal policy of the country is under the control of the federal government, who alone can determine the terms on which foreign agricultural and manufactured products may compete with our agriculturists and artisans, the prior obligation as to matters of relief during times of unemployment lies with the federal government, not with the provincial authorities. In my judgment the only effective cure for unemployment as also for the matter of immigration is the inauguration and vigorous application of a national policy which will protect the Canadian producer on the farm and in the mine, and the workers in our manufacturing establishments by damming back the flood of products coming in from other lands where the workers are not enjoying the standard of living which we should like to see generally adopted, and which to a large extent to-day prevails in this country.

Mr. Speaker, I ask the house to consider for a moment the fact that we are importing iron and steel products from the United States alone to the value of over $1,000,000 a day. Now, I state, and I think with some reasonable basis of authority, that seventy-five per cent of those products could be and ought to be produced in Canada, and would be so produced had we reasonable protection. Did such conditions now prevail, it would mean that an army of 200,000 men would find employment during every working day in the year at wages as high as $2,000 per annum. Those facts should be faced, taken into account and definitely dealt with. Why do we send over $1,000,000 a day to our well-to-do steel producing friends across the line, while Canadian furnaces are standing cold and our workers are idle? Why create such a balance of trade against ourselves?

[Mr. Cantley.]

There is but one reason why we do not make the great bulk of that material in Canada, and that is that our fiscal policy is absolutely and stupidly wrong. Again I would point out that responsibility for unemployment rests primarily upon the federal government. My hon. friends opposite may treat this matter lightly, but I want to tell them that they have entirely failed to remedy the situation. For years they have refused to take any effective action. This is not the first time this matter has been brought to their notice, it is not the first time that I and others have called attention to this situation. The government has done nothing. This matter of the iron and steel duties, we have been told, has been before the tariff board for more than three years. We have protested at the lack of definite action, but nothing has been done. What the government now propose to do I do not know; they will not tell us until after the recess and when the matter is dealt with it will, I fear, be in a way that will fail to produce satisfactory results, or the results which I am confident the people as a whole greatly desire. For that reason, and others to which I have referred, I confidently believe that just so soon as the electorate of Canada are given an opportunity to express their views in regard to the continuance of this government in office, they will express themselves in terms which will be unmistakable and which will result in others being called upon to take up the work in which this government has so signally failed.

I believe, Mr. Speaker, in the policy of Canada for Canadians, and that the most effective cure for unemployment is by the introduction and maintenance of such a fiscal policy as will ensure the production in Canada of the largest proportion of our consumptive wants which under a reasonable protective tariff policy our own people can supply, and which will thereby contribute to the greatest good to the greatest number of the people of this Dominion.

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, since it is within a few minutes of six o'clock, may I move the adjournment of the debate?

Some hon. MEMBERS: No, no.

Mr. McINTOSH: All right. May I say I have listened to the hon. member for Pictou (Mr. Cantley) with considerable interest. I was expecting that he would give us a solution of the unemployment problem. I also expected that the hon. member

for Bow River (Mr. Garland) would offer a solution. I regret that neither of these hon. gentlemen put forward any solution.

Mr. SHORT: What solution did the Minister of Labour give?

Mr. McINTOSH: I will come to that a little later if the hon. member will be patient. The hon. member for Pictou spoke about the results of the coming election and intimated that when the electorate gets an opportunity to express itself upon the issues of the day the party which he supports will be in the majority.

Some hon. MEMBERS: Hear, hear..

Mr. McINTOSH: I am glad to hear some hon. members thumping their desks. I realize that that appeals to them. But perhaps they may not be so demonstrative after I have explained the situation from this side. I believe when the electors get an opportunity to express themselves on the issues of the day the result will not be as predicted this afternoon by hon. members opposite. I am confident that after the issues of the day have been discussed from coast to coast and the people have had an opportunity of studying them they will return the present government with a still greater majority than it has at the present time.

Mr. SHORT: You are only fooling yourself, you don't think anything of the kind.

Mr. McINTOSH: You will be the one who will be fooled when the ballots are counted.

Mr. SHORT: Don't make any mistake.

Mr. McINTOSH: You have predicted the defeat of the government now so often that you have made yourself believe what you would like to see happen.

Mr. POULIOT: The Tory party will be short of supporters.

Mr. McINTOSH: This afternoon my hon. friend drew the attention of the house to what he termed the sad plight Canada is in because of unemployment. We all admit there is a certain amount of unemployment in Canada to-day. But there was a certain amount of it in 1929, there has been a certain amount of unemployment for the last five years, and for the last ten years, and for the last twenty-five years, and for the last half century, and even for the last century, and there will be unemployment in the days to come. Historically speaking there has been unemployment down through history. I do not think it is getting us very far towards a solution of the problem simply to make the bald statement that we have unemployment. We must clear away a lot of superficial discussion and see if we as parliamentarians cannot by our united efforts help to solve this problem in the interests not only of the workers but of the whole nation.

My hon. friend who preceded me stated that there was a certain amount of agricultural unemployment. That may be the case, but we know the exact cause of it It was mentioned this afternoon by the hon. member for Bow River (Mr. Garland), and dealt with very clearly and definitely. We know that any person who is capable of working on the land, and who wants that kind of employment can always find it if he will adjust himself to the scale of wages in existence. Of course, if a man asks a wage beyond that which a farmer can pay, it simply means that he will not be given a job. He does not want to work, and consequently he is added to the long list of unemployed.

My hon. friend also mentioned that this was a federal and not a provincial matter. It seems to me every speaker who has discussed this question in the house has said that it is a national problem. Even my hon. friend from Winnipeg North Centre (Mr. Woodsworth) makes that statement, after sitting in a committee for two sessions and discussing this unemployment problem in a very full and able manner, working hard on it and afterward sending in a report to be endorsed by the house.

Mr. WOODSWORTH: Did I not take that same stand last year in the debate which followed the presentation of the report?

Mr. McINTOSH: The hon. member did take that stand, to a certain extent. He realized, however, in taking it, that it would have been impossible to have arrived at an harmonious and conclusive report if he had adhered to it, and he therefore did not adhere to it. He took his part, however, in manufacturing the report, and in having it adopted two years ago by the house. Instead of standing foursquare with it, he fights it and rejects the proposal which it makes for the solution of this whole unemployment problem. I differ from him. The hon. member was a hard worker on the committee; he did splendid service, and I am surprised to find him standing in this chamber and holding up before the electors of Canada a position directly opposite to the one he took when he was helping to frame the report.

Mr. MACKENZIE KING: I think it would be desirable to conclude or continue this debate to-morrow. For that purpose, Mr. Speaker, by permission of the house I move the following, seconded by Mr. Crerar:

That standing order No. 28 be suspended on Thursday, April 3rd instant, and that motion be then made that the Speaker leave the chair for the house to go into committee of supply.

Motion agreed to.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, April 3, 1930

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 50, respecting a certain patent application of Thomas Bernard Bourke and George Percival Setter—Mr. Jacobs.

Bill No. 51, respecting a certain patent application of Harry Barrington Bonney—Mr. Jacobs.

Bill No. 52, to incorporate the Merchants' and Employers' Insurance Company—Mr. Mercier (Laurier-Outremont).

PRINTING OF PARLIAMENT

First report of the joint committee of both houses on the printing of parliament—Mr. Marcil.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

SOLDIER SETTLEMENT BOARD

Mr. LADNER:

1. What work is the Soldier Settlement Board performing?
2. Has a report been recently made on the Soldier Settlement Board?
3. If so, has not the work been satisfactorily performed by the present staff?
4. How long has the present staff been employed?
5. Is it the intention of the government to retain the services of the present staff?
6. Is it the intention of the government during the present session to place the employees of that board on the same basis as permanent members of the civil service and to provide for them the benefits of the Civil Service Act?

[Mr. McIntosh.]

Mr. STEWART (Edmonton) for Minister of National Defence:

1. The Soldier Settlement Board is administering the Soldier Settlement Act; the 3,000 British family settlement scheme; the 500 New Brunswick family settlement scheme, and gives aftercare to certain classes of assisted migrants and does such other colonization work as called upon by the Department of Immigration and Colonization.
2. Yes—by the Audit Board of Canada.
3. Yes.
4. The majority of staff from 10 to 12 years.
5. As long as may be necessary.
6. Under consideration.

CANADIAN NATIONAL RAILWAYS—SAFETY ENGINEER

Mr. LAWSON:

1. What are the qualifications necessary for appointment to position of safety engineer, on the Canadian National Railways?
2. Was Mr. LeBer appointed to the position of safety engineer, central region, headquarters, Toronto, Ontario?
3. If so, what were his qualifications for the position?
4. What position did he previously hold?
5. Who was responsible for the appointment?
6. Why was the assistant safety engineer not appointed to fill this position?

Mr. CRERAR: It is not considered to be in the interests of the Canadian National Railways, nor in the public interest, to bring down information of this character. Questions of fitness for appointment to the railway service, and of qualification for promotion within the service, are matters for the consideration of the railway management, and are required to be dealt with by the responsible officers of the company, subject only to the recognized right of appeal to the higher authorities of the railway and to the recognized representatives of any employees affected.

MAPLE SUGAR INDUSTRY

Hon. CHARLES STEWART (Acting Minister of Agriculture) moved that the house go into committee to-morrow to consider the following proposed resolution:

That it is expedient to bring in a measure to provide for the better organization and development of the maple sugar industry, to prevent adulteration, to authorize regulations, and to provide for the payment of fees for registration, analysis and licences.

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.

RADIO BROADCASTING LICENCES

On the orders of the day.

Mr. G. R. GEARY (South Toronto): Mr. Speaker, some two years ago I brought to the attention of the house somewhat critically the fact that the Toronto Daily Star radio station CFCA had received a licence for the exclusive use of a certain wave-length. I have received from a constituent an editorial from the Toronto Telegram quoting and commenting on an editorial published by the Toronto Star which latter reads in part as follows:

As a pioneer in the radio field, with its station CFCA—which, if radio remains in public hands, will have a powerful new station.

My correspondent takes that to be a declaration on the part of the Toronto Daily Star that they have the assurance of the renewal of their present licence, and authorization for a more powerful station. Will the hon. Minister of Marine and Fisheries (Mr. Cardin) be good enough to inform the house if the department has given an assurance to this newspaper that, in the event of broadcasting not being nationalized, its licence will be renewed with provision for an increase in power, and if similar assurances have been given to other radio stations?

Mr. CARDIN: No such assurance has been given.

CANADIAN GOVERNMENT MERCHANT MARINE

On the orders of the day.

Mr. R. K. ANDERSON (Halton): Mr. Speaker, I would like to inquire of the Minister of Marine and Fisheries (Mr. Cardin) when I may expect an answer to my question regarding the number of vessels in the Canadian Government Merchant Marine employed in trade between Canada and Australia and between Canada and New Zealand.

Mr. CARDIN: If the hon. member's question relates to the merchant marine, it should be directed to the Minister of Railways and Canals (Mr. Crerar).

Mr. ANDERSON (Halton): It is question No. 3 on the order paper.

CORRECTION—HON. MR. STEWART

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, referring to page 1092 of Hansard, I would like to correct a reply I gave to a question of the hon. member for South Wellington (Mr. Guthrie). The hon. member asked a question regarding a ruling which had been made with reference to the territory under discussion, and I stated:

They are assumed to be British subjects. As my hon. friend knows, we have taken over the control of the territory, which control has not been disputed in any particular except with respect to one small portion. The Danish government have presented a claim based upon the explorations made by Otto Sverdrup, and at the present time we are endeavouring to settle that claim.

I should have stated that it was the Norwegian government which was making the claim. The same correction should be made on page 1101, it should be the Norwegian government instead of the Danish government.

INQUIRIES FOR RETURNS

IMMIGRATION EXPENDITURES

On the orders of the day.

Mr. D. F. KELLNER (Athabaska): Mr. Speaker, my question regarding the immigration expenditures since 1922 was passed as an order for return on March 5, and I would like to ask the minister when this return will be brought down.

Hon. CHARLES STEWART (Minister of the Interior): I will bring the matter to the attention of the officials of the department and ask them to bring down the return as soon as possible.

POST OFFICE DEPARTMENT

Mr. M. E. MAYBEE (Northumberland, Ont.): I would like to ask the Postmaster General when the answer to my question which was passed as an order for return in regard to the Post Office Department will be brought down?

Hon. P. J. VENIOT (Postmaster General): If I knew to what particular question the hon. gentleman referred I could answer now. However, I shall have officials of the Post Office Department look into the matter.

IMPERIAL TREATIES AND STATUTES

Mr. C. H. CAHAN (St. Lawrence-St. George): I would like to ask the Prime Minister whether he cannot bring down in the next ten days the return, either wholly or partly prepared, which was ordered at the last session of the house, with respect to Imperial treaties and statutes which affect Canada.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I shall be pleased to inquire at once as to what condition the return is in and to do my utmost to have the request of my hon. friend met.

RURAL MAIL ROUTES

Mr. T. H. STINSON (Victoria, Ont.): On the 10th March, an order of the house was passed for a return in connection with rural mail routes in Canada. I should like to know from the Postmaster General when that return will be brought down.

Hon. P. J. VENIOT (Postmaster General): I gave the answer yesterday. So far as I can find out it will be ready for Monday. I am trying to have it ready for to-morrow, but it will be ready not later than Monday. It is quite a voluminous piece of work and it requires a great deal of extra time to prepare it.

JACK MINER BIRD SANCTUARY

On the orders of the day:

Mr. W. J. WARD (Dauphin): Is it the intention of the government to renew the $5,000 grant to the Jack Miner bird sanctuary this year?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am sorry I cannot give my hon. friend an answer at the moment. I would wish to confer first with the Minister of Finance.

SUPPLY—UNEMPLOYMENT

AMENDMENT OF MR. HEAPS TO MOTION FOR COMMITTEE

The house resumed from Wednesday, April 2, consideration of the motion of Mr. Mackenzie King for committee of supply, and the amendment thereto of Mr. Heaps.

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, when the house adjourned last night at six o'clock, I was discussing in a general way the attitude of the hon. member for Winnipeg North Centre (Mr. Woodsworth) with respect to his helping to frame two reports on unemployment insurance, one during the session of 1928, and the other during the session of 1929, and the attitude that he is taking now in contradistinction thereto, with regard to the discussion at present going on in the house on the question. As I pointed out yesterday, the hon. member did a great deal of hard work in the committee, but when, on two occasions, this matter came up for discussion in the house, and after the report of the committee had been adopted and endorsed by this chamber, if his attitude had been slightly different, it might have been better for organized industry and organized labour alike in this country. That, however, is a matter for the hon. member himself to decide, and later on I may deal with one phase of the problem, namely, that of legislative power or competency of jurisdiction that concerns my hon. friend and with reference to which he has taken his present attitude.

[Mr. Mackenzie King.]

The hon. member for Toronto-Scarborough (Mr. Harris), when dealing with this question, touched practically all the points of the compass. One would think the house was engaged in a debate on the budget rather than on the question of unemployment insurance. The hon. member for Pictou (Mr. Cantley) also dealt in a very general way with the question, but he tried to make out that the unemployment situation was largely due to the fiscal policy of the government. That is not so, because we have had unemployment in Canada from decade to decade and from one administration to another.

The hon. member for Fort William (Mr. Manion) waxed eloquent yesterday—and I like to hear him speak in this chamber—with respect to the unemployment problem. He tried to present to the house an argument to the effect that if we were to go back to the good old national policy days, we would have no unemployment. I think my hon. friend must forget the years prior to the time when the national policy was given a decisive setback. I refer to 1896 when the national policy was not endorsed by the electorate of Canada.

Mr. HANSON: The national policy was not an issue then; my hon. friend is talking about the Manitoba schools.

Mr. McINTOSH: That is not so. At that time the Liberal party came into power and Canada experienced an era of development such as had never been known in its history. We recall that prior to 1896 industry in Canada was stagnant; commerce was not by any means active; unemployment was rife and deficit after deficit was presented to the house by the administration espousing the national policy. So we cannot accept the national policy as a solution for any unemployment problem affecting Canada at the present time. The hon. member for Fort William spoke about getting joint action. I believe if we start in the right way we can get joint action, at least in some stage of the problem. If we would confine our attention to the point where we can really make a start and look for combined action later on, there is no reason why that action should not be secured.

The hon. member for Bow River (Mr. Garland) reviewing the problem, put forward

some commendable ideas in connection with the causes which underlie this question. He felt, however, that all the provinces should act at once.

Mr. GARLAND (Bow River): That is the very thing I did not do. I pointed out that it was hopeless to expect unanimity at the beginning.

Mr. McINTOSH: I am reading from a report in this morning's Ottawa Citizen of the hon. gentleman's speech in the House of Commons yesterday. I had not time to read his speech word for word.

Mr. HOCKEN: Read it in Hansard.

Mr. McINTOSH: I am only too pleased if he did not make that contention. Another point the hon. member put forward was that we should have an economic survey made of the whole country. We have had enough of economic surveys and it is about time we looked to a certain quarter in Canada for action, that is to the provinces to whom this problem belongs, and let them provide any further economic survey that we may need.

Regarding the report for 1928 on this question of unemployment insurance, the house decided on March 21, 1928, to refer to the committee on industrial and international relations the resolution dealing with unemployment. After two months' investigation the committee reported. Before that committee we had as many witnesses as possible to deal with every side of the problem. We had organized industry and organized labour represented before the committee. The two representatives of organized industry who were called to give evidence were the president and the secretary of the international relations committee of the Canadian Manufacturers' Association of Canada. We thought if we could get the Canadian Manufacturers' Association on record as to any such departure we would have some valuable evidence. These two gentlemen in their sworn evidence stated that the question of unemployment insurance had not been taken up by their association at all, that they had given no attention to it nationally, that they had given no attention to it provincially, that they had given no attention to it in any way; and consequently, it was impossible for the committee to get any authorized point of view on this problem from the two witnesses who appeared before it representing the Canadian Manufacturers' Association. I merely draw attention to that fact because I believe that before we ask the federal government to jump into a proposition of this kind we had better get a thoroughly organized body of public opinion, both in industry and in the provinces, in favour of it.

We also had before the committee the representatives of organized labour. Mr. Tom Moore appeared, representing the trades and labour congress of Canada. The all-Canadian labour congress, represented by Mr. Mosher, also gave its point of view to the committee. These two gentlemen went on record to the effect that unemployment insurance belonged entirely to the industrial interests of Canada, and not to the employees, nor to any provincial or national government, but wholly and entirely to the industrial interests of Canada. That was the labour point of view. I have already shown that so far as industry is concerned, the Canadian Manufacturers' Association had not discussed the problem at all.

We moreover took evidence from other quarters, and after all the evidence had been heard, we brought in a report. I believe it is worth while for me to deal briefly with the first clause of that report of 1928. Here is what the committee recommended with respect to the compulsory aspect of this problem, and let me say that this was endorsed unanimously by the house in 1928. I wish to stress the idea of unanimity as strongly as possible because we had a debate last year, and we are having another this year on this same question, and the public business of the country is thereby being held up. The first clause of that report reads:

> We accept and endorse the principle of unemployment insurance, based on compulsory contributions, derived from the state, the employer and the employee. In this connection, we would point out that a somewhat similar decision was arrived at by a royal commission on industrial relations, which dealt with this subject in 1919.

Mr. WOODSWORTH: Would it not be well to finish reading that report?

Mr. McINTOSH: I have not time to finish reading it. I wish to deal with only one or two important points in it.

Mr. WOODSWORTH: Perhaps it is just as well for the hon. gentleman not to finish reading it.

Mr. McINTOSH: That same principle with respect to compulsory contributions was incorporated in the report of 1929, and the house again endorsed that principle last year. There was no division in the committee on the compulsory aspect of unemployment insurance. The committee was unanimously of the opinion that that was the course to take, that it was the pathway along which the provinces and the Dominion, if they wanted to take

action, should travel. That phase of compulsory contributions was discussed at great length. The committee based its recommendations in that regard largely on certain clauses in the report of the Blanesburgh committee which was appointed in Great Britain to look into the matter of unemployment insurance in 1925, and upon the report of which committee legislative action was taken in 1927.

In Great Britain the National Insurance Act was passed in 1911. A new act was brought into force in 1920, and amendments were made to it in 1921, 1922, 1923, 1924, 1925, 1926 and 1927. The report of this committee was the foundation of the legislative action that was taken in 1927. Our committee based its action to a large extent on the recommendations of this committee whose report read in part as follows:

(1) The worker's contribution must be moderate in amount. It should never normally exceed 5d. a week, and, supplemented by the contribution of his employer and the state, should secure him an insurance sufficient in the great majority of cases to save him, during inevitable unemployment, from recourse to public assistance.

(2) The scheme must not, by the extent of benefit promised, tempt the insured contributor to improvidence when in receipt of good pay.

(3) It should provide benefits definitely less in amount than the general labourer's rate of wage, so that there may be no temptation to prefer benefit to work.

(4) It must not interfere unduly with the mobility of labour in this country.

(5) It must not deter from emigration those who would be benefited by a life overseas.

That report, upon which legislative action was taken by the British parliament, stressed this important fact, that there would be a tendency to abuses in any system of unemployment insurance, and the whole effort of parliament, whether it be the imperial parliament, this parliament or any other, should be to safeguard against those abuses, and to make the act as watertight and effective as possible, to make any policy of unemployment insurance as solid legislatively as it could possibly be made, so that when it was in operation there would be a minimum of abuses, and it would operate as effectively as possible on behalf of the workers, organized industry, and the country generally.

Our committee considered the same resolution in 1929, and after deliberating for a considerable time reported to the house, and that report was adopted on an amendment by 92 to 18. There was an acrimonious debate when the report came before the house last year, and it was largely over one point of policy in the report, the question of jurisdiction.

[Mr. McIntosh.]

Now what about this question of jurisdiction? That is where my hon. friend from North Winnipeg (Mr. Heaps) has had some difficulty. Although he is very anxious to see this problem solved, I am inclined to think that he is making a mountain out of a mole hill, and that with a little more time and patience, and with public opinion developed in the provinces and in organized industry to the point of giving a lead in this matter, we will get action from the provinces, and when that action is taken the Dominion government will consider the whole proposition and deal with the provinces in an equitable manner. Turning to the report of the industrial and international relations committee of 1929, it will be noted that the hon. member for Winnipeg North Centre (Mr. Woodsworth) discussed before that committee the same constitutional aspect of the problem that he brought before this house a few days ago. Mr. Stuart Edwards, Deputy Minister of Justice was giving evidence, and he was asked this question by the hon. member:

May I ask a question in that connection? I understand that during the session of 1920, parliament had placed before it privy council order No. 2722, dealing with the report from the Minister of Justice in reference to a number of draft conventions and recommendations adopted by the International Labour Conference (League of Nations) at its first annual meeting, held at Washington, D.C., October-November, 1919. Amongst these were two of particular application to the present inquiry, concerning which the order in council says:

Recommendation dealing with unemployment insurance: The minister observes that the experience of other countries had demonstrated that a system of unemployment insurance, in order to be effective and successful, must be merely ancillary or complementary to a system of labour exchanges, the whole being adapted to the principal function of finding work for unemployed insured workmen. In this view, unemployment insurance has a pronounced federal aspect, and on the whole, the minister thinks the establishment of a system of unemployment insurance is competent to the Dominion in the existence of its residuary legislative power with relation to the peace, order and good government of Canada.

Then the hon. member said:

That was the opinion of the Minister of Justice in 1921.

And he put this further question to Mr. Edwards:

Has the opinion of the department altered since that time, or how can you explain that opinion?

To which Mr. Edwards answered:

That opinion was given mainly in connection with the international aspect of the subject.

I believe that is where my hon. friend is floundering. Mr. Edwards proceeded:

As I explained to the committee last year, in so far as we are under any obligation by way of treaty, the legislative power rests with the parliament of Canada. I understand that the particular convention to which reference was made in that opinion was not a treaty within the meaning of the act, but it was a draft convention which was submitted to the several governments constituting the League of Nations, with a view to the proposals contained in that convention being placed before the proper controlling body for consideration, and, in dealing with that, the minister pointed out that where the scheme called for by the convention was international in its character he would be prepared to submit that to parliament. It would follow that if such a scheme were submitted to parliament, parliament would have power to carry out the provisions of that treaty. But a moment ago I was speaking about the matter from a domestic point of view.

In short, the ruling of the law officers of the crown is that only the international aspect of this problem of unemployment—in relation to treaties to which the Dominion is a party —is a federal matter; every other phase is provincial. Consequently the stand taken by this house on the report formulated by the committee on industrial and international relations is absolutely constitutional; that is, that the whole problem falls, within the jurisdiction of the provinces. This being the case, we may well be at a loss to understand just why after the debate on this question last session on the amendment which the hon. member (Mr. Heaps) moved to the report, we should this session have another protracted discussion along practically the same lines; for there is no possibility in the world of the decision then reached being changed. The proposition before the house and the country is simply that the unemployment problem comes within the jurisdiction of the provinces and not of the Dominion. Should the Dominion see fit in its discretionary power to take action to supplement any action the provinces might take, well and good; but the two reports adopted by this house last session and the session before put the proposition squarely up to the provinces. If the provinces decline to take action, then it seems to me that those who are concerned in this matter on behalf of organized industry and organized labour, ought to stir up the public provincially and so get the provinces to enact the necessary legislative measures. If organized industry and organized labour succeed in arousing public opinion throughout the provinces, I do not think it would be long before the various provincial governments took the necessary steps to bring about a solution of the difficulty, which would enure to the benefit not only of organized industry but of all labouring classes. I believe this problem will be solved in the near future. It is an important problem. It is national in some aspects and it is provincial in others, but under our constitution legislative action must be taken by the provinces, and when they do take action I think the interests of agriculture ought to be safeguarded. In the main, Mr. Speaker, this problem concerns our industrial employees, not our agricultural employees. That being the case, and I do not think anyone will dispute it, as a member from an agricultural constituency in western Canada, I would ask that the interests of agriculture be safeguarded in any legislation that may be enacted. Agriculture should be safeguarded absolutely.

Mr. WOODSWORTH: What has the hon. gentleman in mind when he speaks about safeguarding the industry of agriculture?

Mr. McINTOSH: The primary interest in connection with this problem is that of our industrial employees, the employees in our large centres, those who are working in our factories, on our railways, and so forth, and if agriculture is to be included in any legislation that may be enacted to deal with the problem, I think agriculture should be given an opportunity of expressing its views on the whole question before such legislation is passed. I believe that that is only right.

Now, as my time is fast passing, may I draw the attention of the house to the stand taken by my hon. friend from North Winnipeg with regard to this matter last year. He listened to all the evidence before the committee on industrial and international relations, he was given that privilege from meeting to meeting, and last session he brought in an amendment to the report when it was presented to the house. It was an amazing amendment, being in fact nothing short of an attempt to amend the constitution. Let me quote the amendment so that hon. members may appreciate its full effect:

That the said report of the select standing committee on industrial and international relations be not now concurred in, but that it be referred back to the select standing committee on industrial and international relations with instructions that they have power to amend the same by adding thereto a clause recommending that all the provinces of the Dominion be requested to pass legislation under which the jurisdiction in relation to legislation providing for unemployment, sickness and invalidity insurance based on compulsory contributions and which is now claimed to be within or subject to the exclusive jurisdiction of the provinces be vested in the Dominion government.

It will be seen that the hon. member finds it difficult to realize that this is a provincial problem. I think that is his difficulty and the difficulty of his friends.

Mr. WOODSWORTH: Hear, hear.

Mr. McINTOSH: For his and their benefit let me quote this passage from the Scriptures: Ye shall know the truth and the truth shall make you free. I believe the truth alone will make the hon. gentleman free in this case; in other words he must get the facts.

Mr. HEAPS: Would not that biblical quotation apply equally to the hon. gentleman?

Mr. McINTOSH: Yes, but mainly to my hon. friend. Now, as I have said, the hon. member for North Winnipeg moved that amendment last session. When the matter came before the house the hon. Minister of Justice (Mr. Lapointe) and the hon. member for St. Lawrence-St. George (Mr. Cahan) exposed the fallacy of the amendment. They showed it was impossible for the provinces to delegate any of their powers to the Dominion, and vice versa; and so the amendment failed, and the report of the committee was adopted by a large majority.

Mr. HEAPS: Might I ask the hon. member: Is that not exactly what parliament did with respect to the Industrial Disputes Investigation Act?

Mr. McINTOSH: That was thoroughly discussed last year in this house, Mr. Speaker. I have not time to go into it now, and I think the hon. member knows the facts. I can add nothing to it by taking up the time of the house at the present moment.

Mr. GARLAND (Bow River): You could answer yes or no.

Mr. McLEAN (Melfort): You cannot answer that to all questions.

Mr. McINTOSH: What does the amendment amount to that my hon. friend has this year placed before the house? A blockade amendment like that of last year. It has held up the business of the house and has delayed the business of the country. After the committee's report of 1929 was adopted and endorsed, and after the matter was passed on to the provinces for their action. When we consider that phase of the matter, why should we debate this question indefinitely? Why not accept the decision of the house and the committee? Why do not hon. members accept this decision? I would say that all further amendments just postpone the day of action and deprive the provinces of the opportunity they should have to outline to all Canada their stand on a matter of this nature.

My hon. friend from North Winnipeg is quoted in Hansard at page 2775. Hansard at that page simply records the answers given to my hon. friend by the Minister of Justice (Mr. Lapointe) and other members of the house. I do not think I should take up the time of the house in dealing with them. But I wish to read the words of my hon. friend as they are recorded at page 119 in the 1928 report of the select standing committee on industrial and international relations. I think the report clears up the difficulty rather definitely. On the occasion to which I refer the Deputy Minister of Justice was giving evidence before the committee. It was our intention at that time to get the question of legality and jurisdiction cleared up once and for all, and it was for that reason we called the deputy minister as a witness. The question by the hon. member for North Winnipeg appears as follows:

> If I understand the statements here this morning correctly, I would interpret your remarks to mean that the federal government has not authority to impose Dominion-wide legislation, or has not the authority to impose compulsory unemployment insurance, or sickness insurance.

The answer by the deputy minister to that question was clear and concise. It is simply:

> Yes, that is correct.

The hon. member for North Winnipeg did not have any more questions, and he accepted that answer as final. Yet, after accepting the report of that committee as final, and accepting that as a final statement, we have the spectacle of the hon. member coming before this house on two occasions. The first time was in 1928, on which occasion he moved an amendment that was hopelessly beaten. He has repeated the amendment in the 1930 session, and it also will be beaten.

It seems to me that the hon. member for North Winnipeg and every other hon. member of this house, should be devoting their energies especially to an acceleration of public opinion in this province and other provinces in the hope that one province, or a group of provinces will take the initiative and, in cooperation with the Dominion government, as our Prime Minister has advised, seek to work out a uniform plan—something that will be satisfactory to all concerned. That is what all parties should be doing, apart from political prestige or political

fortune, if they consider the problem of unemployment to be one that affects closely the lives of thousands of working people in Canada.

Mr. GARLAND (Bow River): Does not the hon. member think that the greatest possible impetus that could be given to this particular thing of which he speaks would be by initiatory action of the federal government?

Mr. McINTOSH: I do not believe there is any great impetus to anything, when it is illegal and when it is unconstitutional, and when it is not demanded in that sense. We ought to go at it in a correct way, and by doing that we will arrive at a more satisfactory solution.

Mr. GARLAND (Bow River): We are not asking for anything that is illegal.

Mr. McINTOSH: I take the hon. member's statement and I am looking at it in the light of the action of this house last year. I am looking at it in that light, and in the light of what this house will certainly do this year. From this viewpoint I think I am correct in estimating that the hon. member's question has an illegal or unconstitutional ring to it.

Mr. WOODSWORTH: What did this house do in regard to the liquor question last year?

Mr. McINTOSH: That is in reality a budget question, and does not affect this one. I therefore think it is the duty of this house to defeat the amendment. I am going to vote against it, so that we may uphold the record of the house in its responsible committee activities for the years 1928 and 1929. Then in no uncertain voice I am going to ask the Prime Minister to impress upon the house the fact that it is the privilege of the provinces to take action under the constitution which belongs to them. Once they take that action the cooperation of the Dominion government and the financial cooperation of this house can be given them. There is no question about it that if we can do it in that way, legally and constitutionally, public opinion may be massed on this vital question from one province to another, clear across Canada. Once we get that, I am satisfied hon. members of this house will repeat the action taken in other years, in view of what was done by the committee on international and industrial relations in 1928 and again in 1929. The action of the committee on those occasions was upheld by this house, and I am sure the action of the committee and this house last year will be repeated this year, and that action thus will be found to be a distinct contribution to the solution of the problem, in a way that will redound to the complete and permanent satisfaction of the people throughout Canada.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, on Monday last, on behalf of the Minister of Finance (Mr. Dunning), I moved that the house go into committee to consider supply, I did so in the hope of having supply voted for the Department of External Affairs. The hon. member for North Winnipeg (Mr. Heaps) moved an amendment that all the words after the word "that" be struck out and the following substituted therefor:

> In the opinion of this house the government should take immediate action to deal with the question of unemployment.

For a period of three days since, the house has been discussing the subject of unemployment. I have tried to follow the debate closely, with a view to seeing what was most in the minds of hon. members. After listening to the addresses from all sides, I must confess I have come to the conclusion that some appear to have one objective and others another. The house is far from united in its understanding of what the hon. member who moved the amendment had in mind when he asked that the house should immediately consider the question of unemployment.

There is a certain aspect of the problem of unemployment which all members have sought to emphasize; that is that the problem of unemployment is a national one. I observed that many hon. members stressed strongly the view that the unemployment problem was a national problem. I do not think we can question that for a moment. What significance attaches to this depends entirely upon what inferences are to be drawn therefrom. If it is meant that the unemployment problem is a national problem to the exclusion of being a provincial problem or to the exclusion of being also a municipal problem or, to take a step in the other direction, to the exclusion of being an empire problem, or to the exclusion of being a world problem, then in that sense I cannot admit it to be a national problem. Once we admit that the problem of unemployment is something which far exceeds being any merely municipal or any purely provincial problem; that it is larger by far than any merely national problem; that it is again wider than an empire problem and that it is in fact a world problem, then at once I am pre-

pared to agree that in this meaning of the term and in this relationship it is a national problem.

Admitting that, what inference is to be drawn? The inference, I think is clear; it is that in the endeavour to meet or to solve this problem, there must be as much in the way of combined effort as may be possible, and there must be very much in the way of division of labour. Each part must do what in its particular sphere and within its own jurisdiction it finds it possible to do. The League of Nations, representing most if not all of the nations of the world, may do something towards the solution of the problem of unemployment, but with regard to this problem the part taken by the League of Nations, will be very different from the part taken by a municipality, the question will not be solved by either one attempting to deal with it to the exclusion of the other.

Because it has been conceded that unemployment is a national problem, some hon. members have sought to draw the inference that at the present time there is throughout Canada an emergent situation demanding immediate action on the part of the federal government. Other hon. members have not stressed so much the emergent condition; indeed, they have dropped it altogether and have devoted their attention—and I think very wisely—to the larger question of whether or not the problem of unemployment can be solved, at least in part through the introduction of some system of social insurance, some particular form of unemployment insurance The discussion in this particular has centred around the question as to whether or not this federal government should take the initiative in seeking to bring about the adoption of a system of that kind by the provinces of the Dominion.

Having regard to the obligation of the League of Nations, one would hardly feel that because the League is concerned with the problem of unemployment it should therefore immediately set out to assess all the countries of the world with a view to meeting an unemployment problem as it may arise in any one particular country. The League of Nations, moreover would not feel it a part of its obligation to attempt to force upon the different countries of the world a system of unemployment insurance. I do think, however, that it would be and is an all-important part of the work of the League of Nations to endeavour to draw to the attention of all nations the magnitude of this problem, its many intricate phases and, so far as may be possible, by educational efforts and propaganda of different kinds, to supply the different countries of the world with the information needed to enable them, so far as may be possible, one with the other, to adopt some system or systems of unemployment insurance that in the course of time will be uniform throughout the world. I think also it might be reasonably argued to be a part of the obligation of the League of Nations that, if a very serious situation should arise in any one country, where there was great distress, the League might well appeal to all other countries to enable some fund to be raised whereby immediate assistance could be given to the particular country affected.

Almost the same thing might be said with regard to unemployment within the British Empire. I do not think for a moment that any one here would say that the problem of unemployment where serious in any part of the British Empire does not affect all parts of the empire. I believe that to-day this Dominion is being very vitally affected by the serious unemployment problem which exists in Great Britain, but because that is the case it does not follow that Great Britain is called upon to expect all parts of the empire to contribute to some fund to be made available to the particular part of the empire in which distress exists to-day. Nor do I think it follows that Great Britain would feel for a moment that it was a part of her obligation to say that a system of social insurance or unemployment insurance was something which necessarily must be adopted by all the dominions whether or not they wished to have such a system, merely from the fact that she herself has a system which has been thought appropriate for the British Isles. I say it does not follow that she should seek to oblige all the dominions to adopt a similar method of dealing with this question. I do believe, however, that there is imposed upon Great Britain and upon the component parts of the British Empire the obligation to do what they can to have established uniform standards of living, standards of health, and standards of working conditions in industry throughout all parts of the Empire. I do not believe any part of the world has gone as far as the British Empire has gone in that direction; I think in this matter the British Empire as a whole stands as an example to the world.

When it comes to our own Dominion and more particularly to the work of this federal government, I feel that we are in a comparable position to that which I have described with regard to the obligations of the League of Nations or the obligation of the British Empire as a whole. Recognizing that the unemployment problem is as vast as it is, there is a real obligation upon this federal government, in

accordance with the powers which are given to it and having regard to the entirety of its obligations, particularly in relation to the obligations assigned to the provinces, to do what it can in what it believes to be an effective way to help solve this very great problem. I do not feel however, that for that reason this federal government is called upon to ask the taxpayers of all parts of this Dominion to permit it to assess them by way of additional taxation in order that it may take money out of the federal treasury, not to be used for federal purposes as such but to be distributed to certain of the provinces, not necessarily to all provinces, and possibly not even to the provinces but only to certain municipalities.

Let me repeat that statement. I can see nothing arising out of a recognition of this problem as a national problem which obliges this federal government, having regard to our constitution and the division of powers under it, to collect taxes from the people generally in order to meet a situation which affects only a certain group of people in some municipalities in this country, but which does not adversely affect the country as a whole. I am not saying we could not do such a thing; I am not saying that this federal parliament cannot vote money for any purposes for which it may desire so to do, but I am trying to make it clear that under our constitution I do not think it was ever intended that this federal government should become the agency through which problems which are primarily municipal and provincial should be dealt with.

I might go a step further. In connection with this question of unemployment, as hon. gentlemen more particularly of the Labour group have dealt with it, we have heard only of the unemployed who happen to be in the favoured, or if they wish to so construe it, in the unfavoured position of belonging to certain trades which may or may not be allied with organized labour. Their reference primarily was to groups of citizens of this country who are engaged more or less in certain of the trades of the country.

Mr. WOODSWORTH: We did not narrow it in any such way.

Mr. MACKENZIE KING: I am glad to accept my hon. friend's explanation. I would ask the house and the country this question: What consideration has been given in this debate to members of the professions? There are large numbers of young men and women in Canada who have gone into the so called learned professions—physicians, lawyers, ministers, members of the teaching profession, professors, teachers and others. I do not think my hon. friend will deny that those people are perfoming a useful service and function in the state and that they are entitled to consideration. I would like to ask my hon. friend if he has ever stopped to consider that many a young man, seeking to get a start in his chosen profession, whether law or medicine or other calling, has to wait, not one or two months during the winter, but sometimes month after month, and I might almost say year after year, before he begins to receive any remuneration worth speaking of in his own business. These persons and their families are part of the taxpayers of this country, they constitute a portion of those who are paying the taxes which my hon. friend desires to take from the treasury and send to the municipalities to be dealt with in the manner he has described.

In connection with the professions, may I mention the journalists as being also an important branch? Those who are engaged in literary work in its many forms do not have continuous occupation every day of every month of every year. Consider also those who are engaged in commercial and financial enterprises and the number of persons employed by them. Has my hon. friend given special consideration to those people as respects their periods of unemployment? What about those engaged in wholesale and retail trades and the thousands of men and women employed as clerks in the shops and stores and hotels and other places of business? During periods of depression employer after employer, whether at the head of a shop or of a large industrial or financial enterprise, is obliged to eliminate a certain number of employees. Is this money which is to go out of the federal treasury to the municipalities to go to those who are being thus eliminated?

Mr. SPENCER: Certainly.

Mr. MACKENZIE KING: I wish we had heard a little more of it, because we now begin to see the scope of what my hon. friends are suggesting. Consider the farming community of which the hon. member who has just spoken (Mr. Spencer) is a member. During several months of the year it is impossible to carry on certain farm operations. Those who are engaged in farming are aware of that and during the time that there is an opportunity to work, they take that factor into account. Have they been asking this federal parliament to take the taxes of the people and dole them out for the purposes of meeting their temporary periods of unemployment? I

have yet to hear of a single deputation coming to this parliament from any agricultural district in this country to ask that federal moneys should be used in the way here proposed. Mr. Speaker, I submit that the agricultural element in this country is entitled to every possible consideration.

Mr. GARLAND (Bow River): May I interrupt the right hon. gentleman? The farmer members in the Alberta legislature, who are themselves farmers, voted in favour of the adoption of some system of unemployment insurance.

Mr. MACKENZIE KING: My hon. friend has just directed our attention to farmer members; I am speaking of the farmers themselves.

Mr. GARLAND (Bow River): Those members are themselves farmers.

Mr. MACKENZIE KING: We all understand why a member of parliament or of a legislature may make a particular appeal such as my hon. friend is making, but what I wish to bring home to those who are so lightly suggesting that we should dip into the federal treasury for these purposes—

Mr. GARLAND (Bow River): Not lightly.

Mr. MACKENZIE KING: I do not say that my hon. friend is treating it in that manner, but there are some who are.

Mr. WOODSWORTH: May I—

Mr. MACKENZIE KING: I do not think that I interrupted my hon. friend, and I would ask hon. gentlemen kindly to allow me to make my speech without interruption. I think by actual count there were 146 interruptions yesterday during the speech of the hon. Minister of Labour (Mr. Heenan).

Mr. STEVENS: The minister invited them.

Mr. MACKENZIE KING: I am not inviting them, and I should like to be permitted to make my statement with as few interruptions as possible.

Every man, woman and child in this country who directly pays taxes or on whose behalf any taxation is levied, is interested in what is done with the moneys received. They are equally interested in sharing in the benefits which are to come out of the expenditure of public moneys for the purposes mentioned. I believe it was for that very reason that the fathers of confederation when they framed the constitution of our country very wisely saw that there were some matters which best could be dealt with by the federal government as a whole, and other matters which it would be infinitely preferable to assign to the provinces. A perusal of the British North America Act fails to disclose any powers of legislation assigned exclusively to the federal government with reference to that class of enactments best described as social legislation. That may have been a mistake upon the part of the framers of the constitution, and as time goes on it may have to be changed, but I am pointing out the position of the constitution at the present time. I am seeking to give what I believe to have been one reason why the fathers of confederation found it advisable to define as they did the respective powers of the Dominion and the provinces. Section 92 of the British North America Act which deals with the exclusive powers of provincial legislatures reads as follows:

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,—

Clause No. 7 reads:

The establishment, maintenance and management of hospitals, asylums, charities and eleemosynary institutions in and for the province, other than marine hospitals.

In reading that clause one might well be led to believe that the fathers of confederation saw that there would be cases of hardship and distress, and that institutions would be essential for the care of individuals suffering the handicaps indicated, and they felt that it was advisable that the unit of government which would be more immediately associated with the localities and persons interested should be the one to deal exclusively with that class of subjects in matters of legislation. Clause No. 8 reads:

Municipal institutions in the province.

This question of unemployment has come up almost exclusively from the point of view of the aid to be given to municipalities, and I submit, Mr. Speaker, that when municipal institutions in the province were set out as belonging to the class of matters with which the provinces would be exclusively concerned in legislation, it is reasonable to assume that in matters of unemployment relief for municipalities the first approach, at least, should be made to the province of the municipalities concerned.

Clause No. 13 reads:

Property and civil rights in the province.

Employment is a matter of contract and of civil rights. Why is it that this parliament is not dealing with factory legislation? Why are we not dealing with mining legislation? Why are we not passing laws governing workshops and the like, and fixing the hours of labour in different occupations and so on? All of these have a direct bearing on employ-

ment or unemployment, they are at their very root. No one is questioning the power of the provinces in that regard, but I submit that from the point of view of serving the interests of the working classes of the country it is just as unfair to advocate that this Dominion parliament should deal with the question of unemployment as a primary obligation as to urge that it should be primarily concerned with legislation with respect to factories, workshops, and mines.

I believe the day will come—it may be centuries hence; I do not know how long it will be, but I do not think it will be so very long—when in this Dominion one central parliament will deal with all this class of legislation. But that time has not yet arrived, and until it does arrive the constitution of our country says that all these matters which relate to factories, mines, workshops, contracts between master and servant, between employer and employed, all of which are matters pertaining to industrial relations come within the extensive jurisdiction of the provinces and not of the federal government. Therefore I submit that we are justified from the federal point of view in making clear the line of division and seeking to reserve in the public treasury for federal purposes the funds that are raised for federal purposes.

The last of the powers mentioned as exclusively belonging to the provinces is set forth, for in clause No. 16 it reads:

> Generally all matters of a merely local or private nature in the province.

Surely the unemployment of which we have heard is of a local nature in certain only of the provinces. We have heard from Manitoba and I think the only Manitoba municipality mentioned in all the discussion was the city of Winnipeg, one locality. We have heard from the province of Ontario. I think the hon. member who resides in Fort William and the hon. member who resides in Kenora mentioned their particular communities, but apart from those, Toronto is the only centre that has been mentioned.

Mr. ADSHEAD: Calgary.

Mr. MACKENZIE KING: Calgary is not in Ontario. In regard to the other provinces, my hon. friend's remarks will help to illustrate what I have in mind. There has been mention of one or two cities and only one or two. I have not heard mention in the house of a single municipality in the province of Quebec; I have not heard mention of one in the province of New Brunswick.

Mr. WOODSWORTH: I mentioned one in Quebec.

Mr. MACKENZIE KING: Which one was it?

Mr. WOODSWORTH: The other day I mentioned conditions in connection with Grand-Mere.

Mr. MACKENZIE KING: Not in the course of this debate, if I may correct my hon. friend. The fact that hon. members are obliged to restrict themselves to naming individual municipalities and are able to name them in numbers that can be counted on one hand so far as the Dominion of Canada is concerned, demonstrates more strongly than words could how little we have a national problem of unemployment in this country at the present time.

As I have said, after discussing unemployment as a national problem the discussion took in the main two trends. The one trend was that at the present time there exists an emergency which demands that out of the federal treasury we should give money to the provinces and to the municipalities to aid in relieving unemployment. The other was that there being a condition that arises and that will continue for all time to arise with respect to unemployment at certain seasons and from other causes this condition should be met by some system of unemployment insurance. Let me deal with those two separately.

And the first is that there is in Canada to-day an emergency condition of unemployment which demands that the government should take from the federal treasury a portion of the taxes of the people of Canada as a whole, taxes which have been contributed by all the provinces and from some provinces from which not one word has been said with respect to any need for unemployment relief, and should hand these moneys over to one or two or more of the other provinces to help an alleged serious unemployment situation there. I submit that there is no evidence in Canada to-day of an emergency situation which demands anything of that kind. Every winter in this country, ever since there was a winter or a Canada, there has been unemployment and there always will be. That situation unquestionably may be aggravated by particular conditions, and when a condition becomes aggravated for any locality, human justice and feeling would demand that those localities that are immediately associated should come as neighbours and share in the relief of the situation. When a local condition becomes too great to deal with, the province in which that municipality is situated should be the body next to deal with the matter. That has always been

the case. When conditions become such that not all the provinces but two or more provinces, if you like, find that they are unable to cope with the situation which has arisen within their boundaries, it may become the duty of the governments of those provinces to make such representations to the federal government and it would be the duty of the federal government to take those representations into consideration. But in the absence of any representations whatever from any provincial government to the federal government for aid of this kind, or representations indicating that there is an unemployment situation which the provinces cannot cope with, we have no right to say that there is any national unemployment problem in this country.

Let me point out the facts. We have had no representations from Premier Tolmie of British Columbia to the effect that there is in that province a problem which is not being and cannot be handled satisfactorily by his government. There has been no request from him to give aid to any municipalities. When this organized deputation to which reference has been made came from Winnipeg—and I shall have a word to say later with respect to it—to meet the federal government, a telegram came from Premier Tolmie stating that he had been requested to ask us to receive the delegation and he hoped we would receive them kindly, or words to that effect. There was no specific request that the government do anything; we were simply asked to listen to the delegation which, by the way, I do not think had on it a single representative from the province besides members of parliament who happened to be in Ottawa for the session.

As regards Alberta, we have had no request from the premier or any member of the government of Alberta for assistance with respect to an unemployment situation there. As regards Saskatchewan, we have had no request from the premier or any member of the Saskatchewan government, although we have been meeting these gentlemen from these several provinces and discussing with them the conditions with respect to their respective provinces. There has been no request from any of them in regard to an unemployment situation with which they are finding it impossible or even difficult to cope. We have had no representations from the premier or the government of Manitoba to the effect that the Province of Manitoba is unable to handle its own situation. From the province of Ontario we have had none, but I quoted in the house in a previous debate a statement made by Premier Ferguson which no one will refute, to the effect that Ontario had no unemployment problem. That statement was made during the month of January or February when conditions were supposed to be at their worst. The premier said that here and there there were difficulties, mostly centred in Toronto, but he thought they could well look after their own affairs.

The government received from the premier of Quebec a telegram, not to the effect that there was an unemployment situation demanding federal assistance, but saying that there was no such situation and that his province did not want any assistance. I should like to ask my hon. friends: Do they suppose there is no unemployment in Quebec? What about the longshoremen who, every year, have to give up their work because the St. Lawrence river is frozen over, and who go to their homes at the beginning of winter where they have to wait until the spring comes? They are humble men; they do not receive very much in the way of earnings. I doubt if their wages are comparable with those paid in western Canada. But I have not heard any complaint from them; they have accepted the situation this year as they have done year in and year out, recognizing that it is a condition of the trade with which their particular lot is cast. They seek to lay up in time of work what will enable them to tide over the period of the winter.

I come to Nova Scotia. We have had no communication from the premier of Nova Scotia or from the members of his government to the effect that there is an unemployment problem there which necessitates federal aid. We have had no communication from the premier of New Brunswick or his government that they have an unemployment problem of the kind there. We have had no communication from the premier of Prince Edward Island or his government that they have an unemployment situation. As a matter of fact, we have had hardly a voice from the whole eastern portion of Canada; we have had nothing, as a matter of fact, in the way of an expression of an unemployment problem excepting from a few persons who come for the most part from western Canada, and from certain parts only of western Canada, and from those in this house who are interested in the matter because of a point of view that they intend to take in discussions on the budget, when they will seek to have it appear that there is a serious unemployment problem in this country at the present time.

May I draw attention to this further fact? Not only have we had no communications

from any of the premiers of any of the provinces, but we have had with the possible exception of Winnipeg no communication that I can at the moment recall, from any of the heads of municipalities.

The Minister of Labour (Mr. Heenan) the other evening gave the other side of the story. He pointed out that while we had had no communications stressing unemployment, the premiers of every single province in this Dominion from the Atlantic to the Pacific, had during the month of January given out public statements to the effect that conditions were prosperous in their respective provinces. The minister quoted them in turn, one after the other, as saying that conditions were prosperous in the different provinces from coast to coast. Then the minister asked, very pertinently: How can we have a national unemployment problem if so far as each and every province is concerned its government reports prosperous conditions within its boundaries?

Mr. WOODSWORTH: Do governments ever declare that there is anything else but prosperity during their regime?

Mr. MACKENZIE KING: I can assure my hon. friend that they have, and we would very soon hear from them if there were in fact an unemployment situation of the kind he would have us believe exists. They would be interested enough to bring it very soon to the attention of this administration. May I say this to my hon. friend, in order that he may get the real point of what I am saying? What does the suggestion amount to that is being made by those who ask us to dip into the federal treasury and take out money raised by taxation from the people of Canada as a whole to give it to certain of the provinces? It amounts to this. A Liberal government was returned to power in this country in 1921 on certain policies which we believe have made for prosperity, which we believe have made for economy, which we believe and which the country knows have made for a reduction of public debt and a reduction of taxation. We, as a Liberal government, are standing by our policies and are seeking to maintain our position. But hon. gentlemen opposite say to us: Now that you have got the country into this favourable position, we ask you to take part of the moneys that you may raise in taxes from the people of this Dominion as a whole, and give it to other administrations to spend, and to whom, if you please? To a Tory government in the province of British Columbia; to a Progressive government in the province of Alberta; to a Tory government in the province of Saskatchewan; to a Progressive government in the province of Manitoba; to a Tory government in the province of Ontario; to a Tory govtrnment in the province of New Brunswick; to a Tory government in the province of Nova Scotia. No request has come from or been made on behalf of either Quebec or Prince Edward Island, where there are Liberal governments attending to the affairs of the province. If you wish to play politics, that is the way to play it. Give to these Tory governments and to those Progressive governments at the present or all times money raised by taxation of the people of Canada as a whole to spend in their respective provinces and thereby save them raising taxes for their own purposes.

Mr. IRVINE: Who asked them to spend money?

Mr. MACKENZIE KING: They are not getting the money to hoard it.

Mr. IRVINE: What money?

Mr. MACKENZIE KING: The money my hon. friends are asking to be paid out for unemployment relief to these provinces.

Mr. IRVINE: Did the Prime Minister read the resolution?

Mr. MACKENZIE KING: May I conclude what I have to say? So far as giving money from this federal treasury to provincial governments is concerned, in relation to this question of unemployment as it exists to-day, I might be prepared to go a certain length possibly in meeting one or two of the western provinces that have Progressive premiers at the head of their governments—

Some hon. MEMBERS: Oh!

Mr. MACKENZIE KING: —but I would not give a single cent to any Tory government.

Mr. BENNETT: Shame!

Mr. STEVENS: Shame!

Mr. MACKENZIE KING: Do my hon. friends say "shame"?

Mr. BENNETT: Yes, shame!

Mr. MACKENZIE KING: What is there to be ashamed of?

Mr. STEVENS: You ought to be ashamed of that.

Mr. MACKENZIE KING: My hon. friend is getting very indignant. Something evidently has got under his skin. May I repeat what I have said? With respect to giving moneys

out of the federal treasury to any Tory government in this country for these alleged unemployment purposes, with these governments situated as they are to-day, with policies diametrically opposed to those of this government, I would not give them a five-cent piece.

Mr. CAHAN: Why give it to a Progressive government?

Mr. SPEAKER: Order.

Mr. MACKENZIE KING: My Tory friends do not like it. They think that they are the only ones who are entitled to the administration of affairs. May I repeat, Mr. Speaker, that, having regard to the situation as we know it in this country at the present time, we have had no representations from any of the provinces expressing the need for assistance from the federal treasury to meet an unemployment situation, because of an emergency too great to be dealt with by the province itself, and in the absence of that I submit that hon. gentlemen who suggest that anything should be given out of the federal treasury have in support of their position not a leg left to stand on. There have been times when there have been emergent conditions, and where there have been emergent conditions this government has been quick to recognize them. When we came into power we found in this country a considerable amount of unemployment, a lot of unemployment arising in large part out of circumstances connected with the war. Men were returning from overseas and seeking to get back into civil employment, and there was no opportunity to secure employment for them. We recognized that provincial governments had a problem there with which they could not cope, and when they made representations to us, we met those representations, and here may I tell my hon. friends that we made at that time no difference between Liberal and Conservative. We gave our money just as freely to the Tory governments then as we gave it to the Liberal governments, because there was a necessity to meet and a very different situation prevailing from what there is at the present time in this country.

Mr. KAISER: Older and wiser.

Mr. MACKENZIE KING: Yes, wiser. I think, Mr. Speaker, that perhaps I have dealt at sufficient length on the question of the emergent situation.

From the point of view of helping in a solution of the unemployment problem, what good purpose I may ask is to be served by conveying to persons of other lands an entirely false impression of conditions in this country. May I say this? In dealing with unemployment, the first thing that is essential to meet the situation is to have capital wherewith to give employment. Until capital becomes available for employment, with industry organized as it is to-day and with industrial processes what they are to-day it is impossible to deal with any unemployment situation. I submit, Mr. Speaker, that there is no way in which you can more effectively defeat the possibility of investment of capital in your country than to seek to create the impression in other lands, and throughout your own, that conditions are not prosperous, that they are bad, and that there are within this country large numbers of unemployed. Unemployment begets unemployment, just as employment begets employment. What is needed in Canada to-day if we are to solve any unemployment problem to the extent that it may exist, is to get more capital into the country to increase the investment of capital; and we will get it as people come to have confidence in conditions here. Hon. gentlemen opposite in their various discussions on tariff matters have from the beginning adopted the attitude of seeking to undermine confidence with respect to industry, commerce and trade in this Dominion; that has been the whole nature of their attack. We had it in the early part of the present decade; we heard from hon. gentlemen opposite, after we came into office, nothing but one dire wail, cries of unemployed Canadians leaving this country to go to the States, of the woeful condition of affairs generally, "whispers of death" and the like; in other words, everything possible was done to cause those who had capital to invest, if they were thinking of placing it in this country, to withhold it from investment altogether. If we are prosperous it is not because of any assistance we have had from hon. gentlemen opposite; it is in spite of everything they have done to try to defeat our ends.

Let us see how this sort of thing sounds when we get it from other lands. On the 28th of February there was an Associated Press cable despatch from Vienna, Austria. It appeared in most of our papers. I ask hon. members as they listen to it to ask themselves this question: Were they thinking of making investments in Austria, how far would they proceed after reading the despatch?

Conference Called On Unemployment
Austria Seeks Method of Reducing Present Widespread Distress
(Associated Press Cable.)

Vienna, Austria, Feb. 28.—Chancellor Johann Schober to-day summoned an economic confer-

ence to consider means for alleviating social distress resulting from unemployment in Austria on a scale never known there before.

He called on eighty representatives of industry, trade, banking and labour to form commissions and to report to him within a week what measures to improve the situation immediately they could advise.

According to reports, there are 450,000 families in Austria obliged to live on a dole of 25 cents per week.

Would anyone on reading that announcement give any further thought to making an investment in Austria? May I say to my hon. friends opposite when they urge that the Minister of Labour should have called a conference in Canada to deal with this question, that people in Great Britain, in the United States, in Europe and in other parts of the world on reading that the federal government had found it necessary to call a conference on unemployment would immediately have hesitated to make any investments in this country. More than that, I say our own people who were contemplating starting in new businesses or enlarging their present business would have hesitated in the face of an announcement of this kind by the federal government. For when a government takes action it is supposed to know what is the need of action. We understood the situation in this country, and may I say to my hon. friends opposite that when the Dominion trades and labour conference representatives waited on the government and presented their requests as to matters which they desired to have considered, they told the Minister of Labour and myself and other members of the government who were present that we had done what was right in not calling a conference. It was said by hon. gentlemen opposite that the minister should have followed the example of president Hoover. My hon. friends are fond now and then of alleging critically that we are following examples from the other side: they do not emphasize the extent to which they are repeatedly making suggestions of the kind. What did the conference called by president Hoover amount to so far as Labour was concerned? It amounted to this, that when the different groups were called together and Labour was invited into the conference, Labour was requested not to press further demands for increase of wages of any kind. Our organized labour representatives told the government very plainly that they thought we had acted in the interests of labour itself when we did not call a similar conference. I prefer their verdict in the matter to that of hon. gentlemen opposite.

May I say this while it is in my mind? During the first three sessions of this parliament we heard a lot about immigration, the need for increased immigration. Hon. gentlemen opposite were pressing us day in and day out to open wide the doors, to bring in larger numbers of immigrants, and an amendment was moved on the motion to go into supply by the hon. member for North Vancouver (Mr. McRae) inviting the country to go in for some huge land settlement scheme which would bring in multitudes of immigrants, and hon. gentlemen opposite endorsed the scheme. As a matter of fact one effect of their propaganda was, in part, to cause a good many more persons to come in than otherwise would have been the case, and some of these persons are to-day unemployed. Now may I draw the attention of the house to this, and I ask my hon. friends who are diagonally opposite to keep it in mind. Look over the proceedings of preceding parliaments and what do we find? Always in the first, second and third session, the Tory party asking that larger numbers of immigrants be brought in. They always urge in the early sessions to bring in more immigrants. What do they want to bring them in for? To effect more in the way of competition in the labour market. Then as we get towards a general election they drop their immigration talk and one hears from them nothing but complaints about unemployment, about the number of people out of work, just as we are hearing from them to-day. If hon. gentlemen opposite ever got into power—supposing such a thing to occur—I fancy we would find very soon the labour market of this country glutted with people whom they would bring in to help favour the position of those who are already favoured in many of the industries of this country.

Mr. ADSHEAD: What about the 8,000 that came in in January?

Mr. SPEAKER: Order.

Mr. MACKENZIE KING: May I turn to another phase? I have perhaps touched at sufficient length on the situation as to there being an emergent condition. Let me come now to the matter of unemployment insurance. Here perhaps I cannot do better than quote first of all what the hon. member for North Winnipeg said when he was speaking on his amendment. In making this quotation, may I say to him and to his neighbour from Winnipeg North Centre and to my hon. friend from Fort William (Mr. Manion) and to a few others, especially where in order to give point to their remarks they

proceed to draw deductions from press reports, that they should in selecting press reports in the first instance be very careful to see that the reports are accurate, and secondly that the quotations are accurate before they put on Hansard quotations or alleged quotations that are not truly representative of what has been said, or in accord with what the press generally has had to say in reporting a matter. I am not saying that my hon. friend did intentionally what I am about to disclose, but I say it served his purpose very well to make a certain quotation in the manner he did. Let me read what my hon. friend said. On March 31, my hon. friend put the following on Hansard:

In a statement which the right hon. Prime Minister made to this delegation the impression was broadcast that the government was sympathetic and willing to do something to speed forward unemployment insurance. This is what he is reported to have said according to the Ottawa Evening Citizen of February 27:

"Eventually Canada will have a system of unemployment insurance. This was the only constructive way to deal with the unemployment situation and he hoped it would soon be possible to work out an insurance plan. Seasonal measures in the way of relief and public works were of no permanent assistance and an insurance plan offered the only constructive way of avoiding distress. Under it those who employed them would be compelled to contribute to a fund during their periods of employment and the insured would receive benefits when out of work."

That is from the Ottawa Citizen of February 27, 1930.

I have here the Ottawa Citizen of February 27, 1930, with the quotation my hon. friend placed on Hansard, and which he said bore out the point of view that at the time I was committing the government to some scheme of unemployment insurance. This is the quotation:

Eventually Canada will have a system of unemployment insurance.

Please note my hon. friend read the quotation as if it went on to say that this was the only constructive way to deal with the unemployment problem. He however left out the important words which follow this first sentence:

Eventually Canada will have a system of unemployment insurance, Premier King predicted yesterday in replying to a deputation seeking federal aid to municipalities and provinces on unemployment relief. This, he said, was the only constructive way to deal with the unemployment situation and he hoped it would soon be possible to work out an insurance plan.

In other words, the paragraph I have just read was a lead put in by the newspaper reporter who sent this particular item to the press. It was a lead in which he gave his own interpretation of the significance of what had been said and which, at most, he characterized as a prediction. May I direct the attention of the house to something further? I do not think this was in any way intentional on the part of my hon. friend, though it is rather singular that he preferred the Citizen version for his quotation. The quotation is:

Under it those who employed them would be compelled to contribute to a fund.

Exactly the same despatch appeared on the same day in the Ottawa Journal and in the Montreal Gazette as well as in other papers, but with an all important additional phrase. Both those papers have the following wording:

Under it those who expected relief and those who employed them would be compelled to contribute to a fund.

My hon. friend used the particular cutting which left out the words: "Those who expected relief and."

Mr. CAHAN: What did the Prime Minister say, really?

Mr. HEAPS: May I explain that I took the Ottawa Citizen because I thought it would be the paper that would not be unfriendly to the Prime Minister? That is the only reason I quoted from the Ottawa Citizen. I never took the trouble to look at it in any other paper.

Mr. MACKENZIE KING: I accept the explanation of my hon. friend. May I point out, however, not only to my hon. friend but to any members who are fond of using press references, that before they use them they ought to be perfectly sure that the report is accurate?

Mr. HEAPS: How can they do so?

Mr. MACKENZIE KING: By making comparisons with despatches, in other papers dealing with the same matter; or, as was suggested this afternoon by an hon. member opposite, quoting Hansard instead of the press. My hon. friend by making use of a quotation which omitted all reference to contribution by employees was giving an entirely wrong interpretation of what I said.

Mr. CAHAN: What did the Prime Minister say, really?

Mr. MACKENZIE KING: I will tell my hon. friend what I said. I have my words here. I will quote from the Montreal Gazette, which my hon. friend would no doubt prefer to any other paper.

Mr. CAHAN: I have not the slightest preference, but I would like to know what the Prime Minister did say.

Mr. MACKENZIE KING: Here is what I said, as reported in the Montreal Gazette of February 27:

Seasonal measures in the way of relief and public works were of no permanent assistance, and an insurance plan offered the only constructive way of avoiding distress. Under it those who expected relief and those who employed them would be compelled to contribute to a fund during their periods of employment and would receive benefits when out of work.

Mr. CAHAN: May I ask a question?

Mr. MACKENZIE KING: Yes.

Mr. CAHAN: Does the Prime Minister now state that insurance of that character is the only constructive way of giving relief for unemployment in this country?

Mr. MACKENZIE KING: No, I do not say it is the only way, but I say it is one way. I believe many hon. members here present, and I hope my hon. friend will be among them, will live to see the day when a system of social insurance is introduced which will help to relieve labour of many of the fears it now has with respect to unavoidable misfortune. If insurance is a good thing against fire, accident or loss of life, it is at least equally good for the family of the worker against unemployment, one of the many inevitable things he has to face.

May I remind hon. members how it came about that the statement I have referred to was made? It was given on the occasion when the delegation referred to waited on the government. I carefully reviewed, as far as I could, everything material that had been said by those who spoke, I could not state all in the short time at my disposal, but I left out so far as I am aware no essential feature. One gentleman—I cannot recall who he was and I do not know whether he was a Liberal, a Conservative, or what he was—in the course of the representations made spoke about unemployment insurance as a means of dealing with the problem. Stating my own views on the question, I said that I agreed with the gentleman who had said that unemployment insurance was one constructive way of dealing with the problem of unemployment. That is how the remark came about. Nothing further was said in regard to it. Out of that, however, whoever wrote the despatch wrote the interesting lead to the effect that there was a prediction that unemployment insurance would some day come about. I think that is a perfectly sound prediction, but it is a very different thing from saying that I was committing the government and parliament to a system of social or unemployment insurance. I merely stated a position as I believe it to be correct.

In order to make my attitude clear, I ought perhaps to say that my views on labour problems are not born of to-day. They are not put forward at this time or at this moment for the purpose of seeking political or party gain. I have strong convictions on some of these questions that affect the well being of the masses of the people, and I have expressed them in a manner which anybody who wishes to be acquainted with them can soon discover. It has been said:

Oh that mine adversary had written a book.

I have in my hands a book written by myself over some thirteen years ago. At that time I was not in parliament, nor was I then thinking of reentering parliament. I was, however, thinking about the problems that other countries and we in this country would have to face in the days of reconstruction after the great war. I sought to turn to advantage, along with my studies, such experience as I had had in public life, and wrote this book which is entitled Industry and Humanity—A Study in the Principles Underlying Industrial Reconstruction. In stating those principles I set out clearly what I felt and believed in regard to labour problems and the only or most effective means of their solution. Amongst other subjects I naturally touched upon the problem of employment. At page 237 of this volume I find the following:

It is the fear of unemployment which lies at the root of most of the minor fears which labour entertains. The fear of unemployment is in reality the fear on the part of labour that capital will not be provided to carry on industry continuously, and under conditions which will afford adequate remuneration to effort. It is an outgrowth of the fallacy that quantity of work is necessarily limited. This fear gives rise to the fear that the introduction of new machinery, or the increased use of machinery already installed, will displace labour; the fear that speeding-up processes will diminish work; the fear that female, child, unskilled, or imported labour will be substituted for skilled; the fear that men of one trade will encroach upon the work for which men of other trades have been specially trained; the fear that the number of apprentices will be so increased as to lessen the requirement for skilled hands; and the fear that long hours and continuous overtime will exhaust employment.

That is but one reference to unemployment. I did not, however, stop at a mere mention of the case, but I wrote what I believed to be one of the remedies for the situation. On page 345 is the following reference to social insurance, of which unemployment insurance is one form:

Social insurance, which in reality is health insurance in one form or another, is a means employed in most industrial countries to bring

about a wider measure of social justice, without, on the one hand, disturbing the institution of private property and its advantages to the community, or, on the other, imperilling the thrift and industry of individuals. Social insurance looks upon industry as in the nature of social service.

Here may I say a word to my hon. friend from Bow River (Mr. Garland)? He said yesterday that industry should not be a mere device for making profits. I agree with him absolutely. I believe we will get no solution of the problems of industry until we get the conception, yes until the world gets the conception that industry is not a mere device for the making of profits but that industry is in the nature of social service, and that every one who contributes to industry, whether it be by his capital, labour, or skill as a manager, is playing a part in the nature of a social service. Until we get that idea into the minds of the people and have our legislation based upon it, we will not reach a solution of unemployment or of any other social problem. I quote further:

> Social insurance looks upon industry as in the nature of social service. It regards the owner of land or capital as a capitalist, but also as a public trustee. It looks upon the worker in industry as a wage-earner, but equally as a necessary member of the community. It places the emphasis on personality rather than on property, and on life rather than on wealth.
>
> Insurance against unemployment recognizes that an isolated human being, not less than a machine, must be cared for when idle. It recognizes also that nothing is so dangerous to the standard of life, or so destructive of minimum conditions of healthy existence, as widespread or continued unemployment. Where idleness is the fault of the social order, rather than of the individual concerned, it places the onus on the state to safeguard its own assets, not more in the interest of the individual than in the interest of social well-being.
>
> Workmen's compensation, sickness and invalidity insurance, widows' pensions, maternity and infant benefits, recognize wherein personal relationships in industry have changed, and where as a consequence of new conditions permanent handicaps arise. The social legislation of which these measures are an expression rejects, as unworthy, the thought that men and women voluntarily incur accident, sickness, disease, enfeebled health, or dependence in distress, any more than they willingly seek enslavement of any kind. It recognizes the difficulty of differentiating between industrial accident and occupational disease; and between disease occasioned by occupation or its environments and illness otherwise contracted; also the impossibility of dissociating from economic conditions the social waste caused by excessive and preventable illness. It sees that debt binds health as it binds freedom, that sickness represents the most frequent factor of individual destitution, and that it is in painful crisis that handicaps for the whole of life are oftenest imposed. To save the spirit of men from being crushed is quite as important as to prevent their bodies from being broken or infected. Many a man's spirit fails when, through no fault of his own, or of his family, efficiency is permanently impaired through accident, or savings become exhausted by unemployment or sickness, or where a new life in the home suggests an additional burden instead of a joy. Much invalidity and penury is due to lack of character and thrift; but much also is evidence of want of effective social control. What society fails effectively to prevent, society is in some measure under obligation to mend.

There is the statement I made at that time with respect to social insurance. I then proceed to give my views with respect to old age pensions, and by the view as expressed in this volume I stand now and am prepared to stand for the remainder of my life.

Mr. ADSHEAD: What does the Prime Minister mean by the word "state"?

Mr. MACKENZIE KING: I will come to that. May I point out that at page 348, I had this to say:

> It is the elimination of fears with respect to these fundamental requisites of health that labour speaks of as a national minimum standard of life.

I then point out wherein the Labour party of Great Britain put forward as its first principle the universal enforcement of the national minimum, and if my hon. friends care to go a little further they will find another statement at page 353. I might draw attention to the fact that this statement was in print sometime before the terms of the labour convention of the treaty of Versailles, was drafted:

> It is not a national minimum only, but an international minimum, which is needed, if labour standards are to be protected against the undermining effects of the law of competing standards operating through international competition. The possible creation of some international agency to further the establishment and enforcement of international conventions aimed at the maintenance of an international minimum, is a subject of momentous concern. It is well deserving of consideration in any discussion pertaining to a League of Nations which may constitute a part of the peace negotiations at the conclusion of the war.

There is a statement of my belief that the industrial problem, whether it relates to unemployment, accident, old age, disease, invalidity or otherwise, never will be solved satisfactorily to any nation or to any country until we have an international minimum standard of health which will prevail in all the countries of the world.

An hon. MEMBER: Oh, oh.

Mr. MACKENZIE KING: My hon. friend laughs. He may well laugh; I am not surprised, because he has not always had—well,

I will not say what I had in mind. My hon. friend will find out one of these days, if he comes to interest himself in industrial problems, that in seeking a final solution he will have to take notice of what is happening in every part of the world, and will have to take account of the industrial standards that exist in all parts of the world. There is a law familiarly known as Gresham's law, which asserts that where two metals are in circulation, the one pure and the other base, if the metals are left in circulation long enough the base will drive out the pure. That law has been demonstrated to be true with regard to the precious metals in circulation in every country. The same law is I believe discoverable with respect to competing standards of health, or other standards of living and working conditions. Bring into competition a lower standard with a higher standard, and sooner or later the lower standard will drive the higher standard out of existence altogether. That is why the League of Nations, representing all the countries of the world, is seeking to bring about among the different nations uniform standards with respect to matters of health and working conditions and those matters dealt with by social legislation generally.

As far as the British Empire is concerned, as I said a moment ago, I believe its standards in industry and health are higher, taking it by and large, than those of any other political entity on earth. I believe also that within the British Empire we in Canada have higher standards for labour generally, and better working conditions, than exist in any other part of the empire, which means that our standards are the best in the world. If however, we are to maintain our standards it can be done only by the raising to our level of the standards of other countries that enter into competition with us.

Mr. STEVENS: Or by protecting our workmen from that competition.

Mr. MACKENZIE KING: Yes, I expected to hear that from my hon. friend! Shut ourselves in and do nothing for anyone else. Last night my hon. friend was speaking on the birth of Christianity. I believe I can show him that no man lives unto himself alone, and that it is only by helping his neighbour that eventually he will help himself, and that the same is true of a nation.

Mr. STEVENS: But in the meantime will the Prime Minister allow the unemployed in Canada to be subjected to the competition of those working under the lower standard to which he himself has referred, until such standard is raised to our level?

Mr. MACKENZIE KING: I am not dealing with a momentary situation; I am dealing with this industrial question in a broad way and as a world problem. I am not dealing with what is going to happen inside a circle around which a ring fence can be put.

Mr. STEVENS: I would remind the Prime Minister that he cannot put a ring fence around Canada.

Mr. MACKENZIE KING: I stand by what I have said, that our own standards can be ultimately maintained only as the standards are raised to a like level in all competing countries. There are apparently some who hold to the idea of building up around Canada a tariff wall which will shut her off from competition with any and every other country in the world. For the next month or two we shall hear about the erection of tariff walls which will serve to restrict our trading with the countries of the world. But were this to occur, what would be the position shortly after such a policy had been effected? More and more in the way of unemployment.

Mr. ADSHEAD: It is high enough now.

Mr. CHAPLIN: When we fail to keep it high enough it brings about unemployment in this country, but creates employment in other countries.

Mr. MACKENZIE KING: The hon. member for East Calgary asked me about the resolutions of the convention with respect to labour in the peace treaty of Versailles, and I think he as well as some other hon. members in the course of their remarks commented upon the fact that the Liberal party had incorporated into its platform the various principles which were laid down in the labour convention of the treaty of Versailles. That is perfectly correct; and let me say that the liberal party of Canada was the first political party in the world to incorporate in its platform those principles; and they were incorporated in their entirety. I think I am safe in saying that those principles have not been more fully recognized or maintained by any other country in the world than they have been by Canada. I would like to quote them to the house.

Mr. McGIBBON: Were they not framed by Sir Robert Borden?

Mr. MACKENZIE KING: I do not think Sir Robert Borden ever saw them until they were printed, though he may have. At the Liberal convention in August, 1919, I presented a resolution which reads as follows—

Mr. CHAPLIN: Is this the chart?

Mr. MACKENZIE KING: If the hon. member will look at the chart he will be amazed at how far we have gone in the directions indicated. I said:

I have the privilege of presenting to this gathering a resolution of the committee on the subject of labour and industrial relations. I shall read the resolution first, and then address myself to the subjects and contents mentioned in it:

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

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

I ask you to note these words, "as set forth in the treaty,"

The question was raised by some hon. member as to whether or not I had used the phrase that labour was merely a commodity, and I think that question will be answered by the following:

I ask you to note these words, "as set forth in the treaty," because the committee thought it well to make an exact copy of what is contained in the treaty itself.

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

With regard to that, I said:

Had the committee been framing that resolution themselves, I think that they would have omitted the word "merely." The labourer and his labour cannot be separated, and the members of the committee feel that the resolution would be stronger and would more fully express the sentiments which they have at heart if it read:

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

The word "merely" being left out. But we prefer to take the exact wording of the articles as drawn up at the peace conference.

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

I think that principle has been generally recognized in Canada. The next clause reads:

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

This administration has stood four-square for the principle as there enunciated. That it was a principle of the Liberal party was demonstrated in the days of Sir Wilfrid Laurier, whose government was the first in Canada to introduce a fair wages resolution and to put it in force in government contracts.

[Mr. Chaplin.]

Liberal administration was the first to create in this country a department of labour in the federal government. The Liberal administration was the first to put upon the statute books of Canada laws respecting conciliation and arbitration in industrial disputes. I could mention many other such reforms initiated by Liberal administrations. The next clause reads:

"Fourth—The adoption of an 8-hour day or a 48-hours week as the standard to be aimed at where it has not already been obtained."

May I remind the house that there is now before parliament a bill which has been introduced by the present administration through the Minister of Labour to make the eight-hour day compulsory to the extent that the parliament of Canada can do so with respect to the employees of the federal public service and persons employed under contracts for Dominion public works. The next clause reads:

"Fifth—The adoption of a weekly rest of at least twenty-four hours which should include Sunday wherever practicable."

I think that for the most part has been accomplished. There may be cases where it was not observed; where they exist I think they should be at once eliminated. No man should in carrying out the duties of his occupation be required to work or to absent himself from his family for seven days in the week; nor should any woman have to do so. Labour on six days in the week should be enough, no matter what the occupation. The next clause reads:

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

The problem of child labour comes under provincial jurisdiction; we have nothing to do with it beyond obeying in our own field the principle laid down. So far as the present administration is in a position so to do it will continue to lend its influence in support of this principle.

Mr. ADSHEAD: Do not all these things apply to the federal government?

Mr. MACKENZIE KING: We might desire to have it so, for example, that there shall be no child labour in factories, but this parliament has no power to enact a law of the kind; it has been left by the constitution to the provinces. I would remind my hon. friend again that the mere fact that the provinces have exclusive jurisdiction over questions which deal with hours of labour, minimum wages, working conditions

and the like, is to my mind conclusive evidence that the provinces were intended to be the ones primarily concerned with all such phases of the industrial situation. Clause 7 reads:

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

That principle has I believe been recognized so far as our public service is concerned. Clause 8 reads:

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

So far as we have to do with that matter, we have recognized it. The next clause reads:

Ninth—"Every state should make provision for a system of inspection in which women should take part, in order to insure the enforcement of the laws and regulations for the protection of the employed."

Mr. ADSHEAD: What is meant by the state?

Mr. MACKENZIE KING: I intended to anticipate my hon. friend's question, but he was too quick. It means the recognized political entity possessing the necessary authority. In the case of Canada under our constitution as drafted the state would mean not the federal government, but the governments of the several provinces. The clause reads:

Ninth—"Each state should make provision for a system of inspection in which women should take part in order to insure the enforcement of the laws and regulations for the protection of the employed."

The laws and regulations for the protection of the employed come within the exclusive jurisdiction of the provinces; they would be the state so far as enactment and enforcement are concerned. We could not appoint women inspectors to enforce these laws even if we wished; we have no authority. The day may come when it will be thought desirable, and I believe that in the course of years industrial legislation in all the provinces will be made uniform. I hope the day will come when legislation regarding industrial matters will be uniform in all the countries of the world, because until that day does come the attainment of higher standards will continue to be prejudiced by possible invasion and undermining by the lower standards.

Those were the principles incorporated in the convention of the League of Nations and they were adopted by the Liberal party in its platform. Every one of those principles has been lived up to and fulfilled as far as has been possible. But we went still further in dealing with labour problems. Our resolution reads:

And further resolved:

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

We have sought, wherever we could, to see that labour's voice should be heard with respect to matters of industrial policy with which labour was concerned.

2.—

And this concerns more particularly the one question we are discussing.

That in so far as may be practicable—

"Practicable" means amongst other things having regard to what is set out in the constitution of the country.

—having regard for Canada's financial position, an adequate system of insurance against unemployment, sickness, dependence in old age, and other disability, which would include old age pensions, widows' pensions, and maternity benefits, should be instituted by the federal government in conjunction with the governments of the several provinces; and that on matters pertaining to industrial and social legislation an effort should be made to overcome any question of jurisdiction between the Dominion and the provinces by effective cooperation between the several governments.

Mr. ADSHEAD: The British North America Act.

Mr. MACKENZIE KING: Everything has to be in accordance with the constitution. May I ask this of my hon. friend: If with regard to these matters there is to be cooperation between the Dominion and the provinces, is it not right, reasonable and just that those who under the constitution are given exclusive jurisdiction to legislate with respect to such matters, should be the first to move in seeking the necessary cooperation? That is where I take exception to the attitude of some of my hon. friends. They always insist that in matters of this kind the federal government should take action before any of the provincial governments move. The hon. member for Winnipeg North Centre said the other day that when he was in the west, the mayor and councillors of some municipality begged of him, when he came to Ottawa, to put in a word with regard to the unemployment situation. May I ask him: Why did they go to him? Why did they not go to the representatives of the province who make the laws with respect to these matters? I think I know why they went to him. They recognized in him a friend and advocate of

the cause of labour and they believed he would do all he could, but I think he ought to have told them at once that much as he would like to do what he could for them, the first court of appeal, if I may so describe it, was the provincial government, and that they ought to appeal to it.

Mr. WOODSWORTH: That deputation had already waited on the provincial government, and our provincial government is in favour of a scheme by which the provinces will co-operate with the federal authorities.

Mr. MACKENZIE KING: When the provinces ask us to interest ourselves with them in a scheme of the kind, we will be more than ready to consider their representations. But until there is some representation made from the provinces, I think I must repeat what I said the other day: namely, that we stand ready to cooperate but we feel in this matter which so vitally affects the provinces themselves we should wait until we are asked by the provinces themselves. I do not by that mean all of the provinces; I mean a reasonable number, at least two others—before we should be expected to cooperate with them in these particular matters.

Mr. CHAPLIN: Why did the Prime Minister put this in the federal program?

Mr. MACKENZIE KING: May I come to the next one?

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

That has been observed.

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

Much legislation of that character has been introduced by this and the previous Liberal administration and has passed this parliament.

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

I may remind my hon. friends that the present Liberal government was the first and the only government to give labour direct representation on the directorate of the Canadian National Railway.

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

That, I think, might be carried out, but it again comes more directly under the jurisdiction of the provinces.

7. More effective restriction of Chinese immigration.

Another undertaking that has been fulfilled by the present Liberal administration to the point of a restriction which in fact has amounted to complete exclusion of Chinese.

8. The federal incorporation of cooperative associations.

That is a matter which is receiving consideration.

9. The acceptance of the principle of proportional representation.

That remains to be brought about, and I hope it may be before very long.

Mr. MACDONALD (Richmond): That will be a new plank.

Mr. MACKENZIE KING: It will not be a new plank, but it will be one for which I venture to say my hon. friend will not give me his support.

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

Since we came into office in 1921, very much has been done in both of these directions. Profiteering has been stopped, and the cost of living materially reduced. And finally:

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

Every resolution put forward at that convention relating to the attitude of the Liberal party in respect to the problems of labour has been carried out almost to the letter since this government took office. That is the Liberal record in regard to these industrial matters.

I referred a moment ago to the care which I thought ought to have been taken by the hon. member for North Winnipeg in quoting from the press. I meant to pay my compliments to the hon. member for Fort William (Mr. Manion) who did not even quote the text, but who confined his remarks to quoting the headings that had been put on by newspaper editors.

Mr. MANION: That is absolutely unfair, because the Prime Minister asked me to quote the text and I read exactly what he read himself to-day.

Mr. MACKENZIE KING: My hon friend was leaving the matter where it was when I asked him to go ahead and read the article itself, and then he only read part of it.

Mr. MANION: I had only forty minutes.

Mr. MACKENZIE KING: If I had let the matter go at that, he would have sent out to the country headlines with which I had had nothing whatever to do and would have had them represent my position before the country.

Mr. MANION: That was the conclusion drawn by all the newspapers.

Mr. MACKENZIE KING: What I am now about to say refers not merely to what was said by one member, but to a deliberate effort on the part of a large number of hon. gentlemen opposite to misrepresent my position with respect to old age pensions and several other matters which involve grants from the federal treasury to the provinces. I have already explained pretty fully the reasons why I take the position I do in seeking to defend the federal treasury and in so doing to keep to their respective fields of effort both the provinces and the Dominion. When on a previous occasion we were discussing this matter of grants from one treasury to another, I said I thought it was an unsound principle; in fact, I think I used the expression that it was a vicious principle to have one body raise the taxes and another body spend the people's moneys thus raised. Is there any hon. member who will disagree with me in that statement? There is none. That is the extent of the statement I made. I was referring to a principle of financing, speaking simply in relation to what is sound and what is unsound in financing. Anyone interested in financing, whether of a municipality, a province, a dominion, an empire, or a league of nations, will, I think, admit it is unwise, an unsound, a wrong principle for one body to have to do with raising the taxes and another to be concerned with the spending of the money so raised, that other body not having to account to the representatives of those who have paid the taxes.

Mr. BENNETT: The foundation of our whole financial structure is grants to the provinces by subsidies that they do not earn.

Mr. MACKENZIE KING: I thought my hon. friend, who is a lawyer, would come along with that quibble.

Mr. BENNETT: It is the foundation of our whole financial structure.

Mr. MACKENZIE KING: I will ask my hon. friend now: Does he think it a sound principle that the federal government should raise taxes and then give that money, in whole or in part, to the provinces to spend?

Mr. BENNETT: The foundation of our whole financial structure is grants from the Dominion to the provinces of money not raised by the provinces.

Mr. MACKENZIE KING: My hon. friend does not answer the question.

Mr. BENNETT: That is the answer.

Mr. MACKENZIE KING: May I point this out to my hon. friend: When the Dominion was formed certain obligations were placed on the provinces and certain on the Dominion. It was recognized at that time that in connection with the confederation agreement it was necessary, and might continue to be necessary, to give to the provinces certain specific amounts in order to make the balances even, if I may so express it. In other words, what the fathers of confederation were seeking to do was to give each a distinctive field or jurisdiction; but they recognized that in giving to each a distinctive field the provinces would to a certain degree be handicapped in the matter of raising revenues, and they met that situation by fixing certain definite subsidies to be paid from the federal treasury to the provinces. Those subsidies had no strings of any kind attached to them. They became the complete property of the provinces to deal with as they pleased, and were so recognized as part of the pact of confederation. That in itself is, I submit, a reason why we should not go further in dealing with federal moneys in relation to the provinces. If the provinces have not enough money to carry on their functions as assigned to them by the constitution of this country, then there should be a further revision of the financial terms of confederation. There has been already, may I say, one or two financial revisions for that purpose. We should give to the provinces what, if any, is their due, in that regard. But once we have given them subsidies of a specific amount and said that they are free to deal with them as they see fit, they should not be permitted to come to the federal treasury for additional amounts, one day for highways, another for technical education, another for old age pensions—one thing after another, apparently without limit. I am speaking now wholly from the point of view of what I regard as sound financing.

To make my position perfectly clear, may I say this? I have been from the beginning one of the strongest advocates of technical education. I believe in transcontinental highways and in other highways. I believe in old age pensions. I believe in unemployment insurance. I believe in all these things, but if they are to be carried out it must be done in accordance with the spirit as well as the letter of the constitution. Discussing this matter on the 21st of February of last year, I said:

> May I direct attention to this further fact which bears immediately upon the grants from the federal treasury to the provinces.

I am reading this now more particularly because my hon. friend from Winnipeg North Centre in his remarks sought, I think, to have the inference drawn that I was opposed to old age pensions. I hope that he did not, and I think I can expect him to say that he did not.

Mr. WOODSWORTH: There is one other point of order, Mr. Speaker, that I would raise at this time. The Prime Minister said a few minutes ago, referring, I presume, to myself and others, that there had been a deliberate effort to misrepresent him. I suggest that that is not in order. So far as I am concerned there has been no deliberate effort to misrepresent him. I quoted from Hansard, and I did not intend to imply that the Prime Minister was in any way opposed in a general way to old age pensions; but what I did read from Hansard was that he was opposed to the financial arrangements underlying the existing old age pensions scheme, that he regarded it as being based upon a vicious principle, and I think I am justified in saying that by the text which he is now about to quote. But, Mr. Speaker, I shall have to ask the Prime Minister to withdraw the words, if he applies them to me, that I deliberately attempted to misrepresent him. I did not.

Mr. MACKENZIE KING: If my hon. friend says that he did not, certainly I accept his word at once. I confess that I was very much surprised when I heard him speak as he did, and my own words as they appear on Hansard will show that I said he was not following his usual method. I confess to no little surprise at the way in which since last year some hon. members opposite have sought to have the people of this country from one end to the other believe that I was opposed to old age pensions, that I so stated, and had said that old age pensions constituted a vicious principle. When I used that expression I was dealing wholly with a certain method of financing. I am going to read now the text in Hansard to which my hon. friend from Winnipeg North Centre says he was referring. When he looks at that text he will find that I began and ended with a reference to the principle of financing, and that what I said had nothing whatever to do with the question of whether the principle of old age pensions was sound or unsound. What I said was this (Hansard, 1929, page 316):

> I believe that everyone who has given any attention to public finance will agree that it is a thoroughly vicious system to have one body raise taxes and another body expend the money thus secured. In other words, give to the provinces these grants from the federal treasury, without their being obliged to raise the money themselves by taxation, and you will not get, with respect to expenditure, that careful supervision which would be exercised if the provinces themselves were obliged to raise the money in the first instance. It is a bad system, a thoroughly vicious system, and that is the reason why the present administration has been seeking to put an end to a system that grew up at a time when the country was in the throes of war or had to meet a post-war situation—a system which, had it been permitted to develop, would have become thoroughly destructive of anything in the shape of economy with respect to the expenditure of the people's money.
>
> Mr. Ladner: What about old age pensions?
>
> Mr. Mackenzie King: I am glad my hon. friend speaks of that. There is another case where we are giving to the provinces a lot of money in addition to what they are raising.

That has no reference to old age pensions as a vicious principle.

Mr. BENNETT: Read the rest of it.

Mr. MACKENZIE KING: It goes on:

> Mr. Ladner: Is that vicious?
>
> Mr. Bennett: A thoroughly vicious principle?
>
> Mr. Mackenzie King: I think it is, yes—

Some hon. MEMBERS: Oh, oh!

Mr. MACKENZIE KING: I still submit to my hon. friends opposite that there is not one of them who in his heart and mind believes that I was suggesting either directly or indirectly that old age pensions constituted a vicious principle. They may applaud as they like. If they wish to go on repeating this misrepresentation they are free to do it, but I do not think that they will gain much in the country by that kind of misrepresentation.

May I continue to quote and read the next question asked in that same debate last year:

> Mr. Ladner: Why doesn't the government provide for old age pensions itself instead of shifting it to the provinces?
>
> Mr. Mackenzie King: It is the province's obligation, and so far as this government is concerned we have sought to safeguard the public treasury to the extent at least of one-half of the required expenditure.

In other words, I was making it plain that in connection with the contributions we were making under the old age pension scheme, we had recognized the unsoundness of the principle of taking money from the federal treasury and giving it to another body to spend, by attaching certain conditions as to how and when and where that money should be spent, safeguarding so far as we could a principle that was unsound. The question of old age pensions was so all-important, having regard to existing conditions, that in order to get old age pensions under way it became necessary for us to adopt a system of financing that

was not sound. That however is very far from meaning and does not mean that the old age pension system is not sound. What I think is this: when there is a further revision of the finances of this country matters should be so arranged that the moneys for the whole of any such expenditure should thereafter be raised solely by the one body primarily concerned, instead of being raised in part by the provinces and in part by the Dominion. Compensation of a necessary amount should be paid to make up for whatever probable loss there may be from abandoning the present method of grants in aid.

I hope I shall not have to refer to this question again. I corrected the misrepresentation last year when it was made. That is why I find fault with my hon. friends—that notwithstanding that last year I made it perfectly clear in this parliament that I was being misrepresented, they have persisted in this misrepresentation. Here was the statement I made; I quote from Hansard, February 21, 1929, page 322:

Mr. Mackenzie King: Let me make myself perfectly clear with respect to that. I did not say that the principle of the old age pensions is vicious; I say that the principle of giving money from one treasury to another is, having one authority raise the money by taxation, and the other permitted to spend without the obligation of taxation, and it was the conference with the provincial premiers that helped to convince me on that point, particularly what the provincial premiers themselves said.

Then my hon. friend is recorded as saying:

Mr. Bennett: I am glad the premier of Ontario has had at least one good effect upon the Prime Minister by having a conference with him, because the Prime Minister has seen the error of his ways after coming into contact with Conservatives at the Dominion-provincial conference.

And yet my hon. friend when he was touring the west took this volume of Hansard and read to his audiences the part containing Mr. Ladner's quotation to be found at page 316; and never once made the slightest reference to this part on page 322 of which he himself had the fullest knowledge.

Mr. BENNETT: That is untrue, Mr. Speaker. I was careful enough to read what the right hon. gentleman said in Hansard. My criticism was then, and is still—what does this country think of a man who as Prime Minister denounces as vicious the principle which he put in operation twelve months before?

Mr. MACKENZIE KING: Now we have the hon. gentleman's measure exactly. Read the Hansard reports and you will not find in all that I have said, speaking on my responsibility not only as a member of this house but as Prime Minister, any reference to old age pensions as being a vicious principle. Notwithstanding I have made this clear again to-day, my hon. friend now comes again forward with a statement which is intended to convey that impression throughout the country.

Mr. BENNETT: Again, Mr. Speaker, I ask, is this Prime Minister really responsible?

Some hon. MEMBERS: No, no.

Mr. BENNETT: Is he responsible?

Some hon. MEMBERS: Order.

Mr. BENNETT: Does he realize—

Some hon. MEMBERS: Order.

Mr. BENNETT: Mr. Speaker, does he realize—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. I must ask the hon. gentleman to take his seat. If he means the word "responsible" in a derogatory sense he will have to withdraw it.

Mr. BENNETT: I have used it exactly in its right sense. The question is this: the right hon. gentleman said: If you read Hansard to-morrow you will find what I said. I wonder, Mr. Speaker, if the right hon. gentleman's memory is of any use, because he answered Mr. Ladner and myself by saying: Yes, I think the contribution by the Dominion of moneys for old age pensions is a thoroughly vicious principle.

Some hon. MEMBERS: No, no.

Mr. DUNNING: No, he did not say that; that is not what he said.

Mr. BENNETT: Read it again.

Mr. MACKENZIE KING: Mr. Speaker, fortunately the country has Hansard and the passage speaks for itself.

An hon. MEMBER: The country is just waiting for the opportunity to answer.

Mr. SPEAKER: Order.

Mr. MACKENZIE KING: Again I repeat what I have said. I hope I shall not have to refer to this matter again, but if my hon. friend and others wish to continue their misrepresentation, as far as I am concerned they are free to do it.

Mr. BENNETT: Mr. Speaker, I ask that the right hon. gentleman withdraw the word

"misrepresentation." Your honour ruled the other day that it was unparliamentary. The rules of this house must be observed by the Prime Minister.

Mr. SPEAKER: According to Bourinot, page 361, the expression "misrepresentation" is not parliamentary.

Mr. MACKENZIE KING: Well, Mr. Speaker, if my hon. friend thinks I have used any word that I should not have used, I am quite prepared to withdraw it.

Mr. BENNETT: Mr. Speaker, that is not sufficient. Let the withdrawal be ample and complete.

Mr. MACKENZIE KING: What does my hon. friend want me to say?

Mr. BENNETT: To withdraw the use of the word "misrepresentation" as being against the rules of this house.

Mr. MACKENZIE KING: So far as I have in any way transgressed the rules of the house in the use of the word "misrepresentation," I withdraw the expression. But I do not withdraw my statement that my attitude on this matter has been misrepresented and is being misrepresented.

Mr. BENNETT: Mr. Speaker, you also ruled the other day that a member could not say indirectly what it would be unparliamentary for him to say directly.

Mr. SPEAKER: I think the withdrawal is complete as applied to the hon. gentleman. I repeat that as regards the expression "misrepresentation," Bourinot at page 361 gives several examples of unparliamentary terms, and amongst them is "misrepresentation."

Mr. MACKENZIE KING: Mr. Speaker, I had hoped to have opportunity to devote some part of my remarks to enlarging a little on the constructive side of this question of unemployment.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: My hon. friends need not laugh. I will give them twenty minutes of it. May I say of the addresses that have been delivered in the course of this debate, I think the most thoughtful and the most helpful, if I may distinguish between them, was the one made by my hon. friend from Bow River (Mr. Garland). He did seek to give to the house some appreciation of at least one very important phase of the problem of unemployment. He did so, I thought, exceptionally well, and in a manner which revealed full and careful study. His remarks had largely to do with the effect of discoveries and inventions, and he pointed out how through the course of the years under the agency of invention and of discovery labour was repeatedly being placed in the position where it was finding its former occupations disappearing and was forced to get new training or to go into some new branch of trade or industry or was left by the wayside altogether. My hon. friend went on to suggest that it would be well for the government to appoint a commission to make a survey of conditions in the country bearing on the question of unemployment. May I say this to him? If I believed a survey would throw any light whatever on the problem beyond what we already possess, I would recommend to my colleagues the appointment of a commission for the purpose. But my hon. friend's own speech was the best answer that could be made as to where a commission would be wholly inadequate to deal at all effectively with this situation. The situation that faces labour, as we look ahead a few years, is going to arise out of conditions that are largely unforeseen at the present moment. New inventions are coming, new discoveries are going to be made which will bring other processes into existence and eliminate in part, if not altogether, certain of the callings and trades and employment connected therewith, that are being carried on at the present time, and these changes will inevitably bring about unemployment to large numbers of men. Discoveries of new processes brought about by scientific research, discoveries of new portions of the earth's surface and of much that lies beneath the surface, and methods of production, distribution and exchange—these things are going to recur and recur throughout the future, and no commission appointed will ever be able to anticipate what may come about in that regard. More than that, unless I have failed altogether to convey to hon. members the conception I have of this labour problem, namely, that it is a world problem, it must be apparent that conditions so far as this country is concerned in matters of unemployment are going to depend, not so much on what is going to happen in Canada itself in the first instance as on what happens outside and beyond the bounds of this country. No commission can foresee what will happen. Let me take the opening parts of my hon. friend's speech. He very straightforwardly said that the present depression so far as it exists was due, first of all, to the western wheat crop not being as large as it had been in previous years; in the second place, to the fact that the crop had not been marketed to anything like the extent

it had been in former years; and in the third place, to the railway earnings and other earnings being smaller in consequence. He spoke about conditions in Great Britain and the extent to which the markets over yonder were being affected by what had taken place and was taking place in other countries. He also referred to the collapse which took place on the stock exchange. My hon. friend is right in stating that these are in the main the causes that account for any existing depression and consequent unemployment; but what body of experts could have foreseen so long as a year ago that anything of the kind was about to happen?

Mr. GARLAND (Bow River): It was not so much my purpose that the commission should examine into the actual causes of unemployment as to try to find a solution for it.

Mr. MACKENZIE KING: I am pointing out to my hon. friend that the solution cannot be found in any one formula; it cannot be found in any one method. It can only be found by each authority doing what it can within its own jurisdiction, and in cooperation with all other authorities. It is moreover a world problem.

My hon. friend asks for a solution of this question. I tell him that the only way in which this country can hope to solve the unemployment problem to the degree to which it is possible for it alone to solve it, is not by the adoption of some single measure relating specifically to unemployment, but by making prevail in regard to all its policies those principles which will make for greater productivity in our country and for an increase in employment as a consequence. May I point out that at the end of the term of office of every Conservative administration which has been in power in Canada and has sought to enforce its doctrines of high protection, we have had a period of depression such as had not before existed in the country's history. May I point out with some degree of pride that whenever Canada has a Liberal administration holding office for any length of time, after the first few years the country has begun to show prosperity. Prosperity has rapidly increased. This has not been due to chance; it has been due to a difference in the policies which have been put into force by Conservative and Liberal governments respectively. When the government of Sir Wilfrid Laurier came into office in 1896 it found this country in a condition of depression, the like of which had not been known theretofore in the history of Canada.

Mr. CAHAN: Does the hon. gentleman remember 1877 or 1878?

Mr. MACKENZIE KING: I am not as old as my hon. friend, but I do remember 1896. I remember the discussions of the industrial situation as it existed at the time. From the day Sir Wilfrid Laurier came into power conditions began to improve and from then until the day he left office this country enjoyed more in the way of prosperity than at any previous time. It was a golden era. I will come down to more recent times; I will come to the time of the present administration. What are the facts? When we came into office in 1921 what did we find? We found that the public debt was being increased at the rate of $92,000,000 per year; we found a condition of extreme depression. We heard for some time after nothing but cries of blue ruin and whispers of death. Our railroads were disorganized, and throughout the country everything was in about as bad a condition as it could possibly be. What has been the change? Once our policies were given a chance to take effect, from that time on we have witnessed steady reduction in the debt of the country, steady reduction in taxation, increase in production, increase in trade, increase in industry in its several branches, and a degree of prosperity which has not been paralleled since the days of Laurier, and which has never been equalled in the history of our country. I say to my hon. friend from Bow River, and I hope he will agree with me, that during the next few years more will depend upon the policies of the government with respect to trade and production than upon anything else—upon wise fiscal policies. My hon. friend the leader of the opposition talks about sending raw materials out of the country.

Mr. GARLAND (Bow River): May I say to the right hon. gentleman that more depends on trade and consumption in the next few years.

Mr. MACKENZIE KING: My hon. friend the leader of the opposition suggests as a remedy that we must not allow the export of any of our raw materials or their manufacture in other countries. I notice my hon. friends have published within the past day or two a small political pamphlet in which amongst other things that argument is stressed. What are the raw materials of this country which my hon. friend is going to stop being sent out if and when he assumes office? Will his policy apply to agricultural products? Will he prevent raw materials of that kind going out?

Mr. CHAPLIN: No, the United States is doing that now.

Mr. MACKENZIE KING: What would Canada not give at this time if we could only market more of our raw materials in the way of grains and other agricultural products? What would Great Britain not give at this time if she could find wider markets for her coal, which is another raw material? Every country is blessed by Providence with certain great resources. They are at different stages of development; it does with these resources as is best for the country itself. In regard to mining, we have vast resources from which there are raw materials we must export if we are to gain the advantage we should from their possession. We cannot consume in any form a fraction of these raw materials within the country itself. In connection with one or two classes of minerals we may possess more than other parts of the world, something of a monopoly, but generally throughout the world these things are distributed amongst the different countries. If we do not continue to sell them some other country will, and we shall lose the market we already have. Is my hon. friend going to stop the export of the products of the different mines that exist in different parts of Canada to-day? I wonder where the working men who are employed in mining operations will get their wages when that sort of thing begins. Where will the home markets be when we lose the markets we have across the seas or to the South and which through our exports we have worked so hard to gain? When it comes to fisheries, another great natural resource, will we stop their export too? And what about our lumber, the products of the forest, is that trade too to be stopped? If we are going to prohibit the export of our raw material will other nations continue to send their raw materials to us.

To-day my hon. friends opposite were talking about our trade with the United States. They know very well that we receive more in a year in the way of raw materials from the United States than we send to the United States. If we are going to refuse to send raw materials to other countries, can we expect them to contract to trade in raw materials with us? What about our iron and steel industry? We get most of the raw material, most of the iron ore, from the United States, and the whole iron and steel industry in our country is largely dependent upon it. Are my hon. friends going to say: We will give nothing in the shape of raw materials to a country that supplies us with these essentials to our own industry? What about our cotton industry? We get most of our raw cotton from the United States. It gives work to thousands of men here. Is my hon. friend's policy one which will stop the trading back and forth in these raw materials in which each of us has a special advantage?

Hon. gentlemen opposite are fond of talking about the home market; it is not the home market they are thinking about so much as a monopoly of the home market for the benefit of a few of their privileged friends. Does my hon. friend know we will be able to have a home market in this country only as we have purchasing power, and that we will get purchasing power only as we are able to sell our products in the markets of the world? The wider your foreign trade, the better will be your home trade. I tell my hon. friend that by his policy and the policy of his friends no ships will be going out of Vancouver or Halifax harbours. When we get what my hon. friend spoke about a moment ago, a tariff wall around this country which will keep everything from coming in and as a consequence prevent everything from going out, you will soon have again the condition of stagnation and unemployment which we have witnessed in previous times.

Mr. BENNETT: I rise to a question of privilege.

Mr. MACKENZIE KING: I should like to finish my remarks.

Mr. BENNETT: This is a question of privilege, Mr. Speaker. A few minutes ago I dealt with the "vicious principle" of old age pensions.

Mr. MACKENZIE KING: I submit that my hon. friend wishes to deprive me of the next five minutes in which I should like to finish my speech.

Mr. BENNETT: That is not so, I have just received this from the library.

Mr. SPEAKER: Order. A question of privilege is always in order.

Mr. BENNETT: A few minutes ago I stated my recollection of a statement which was made last year by the right hon. Prime Minister. I stated he had said that the payment of money to the provinces by the Dominion for old age pensions was a thoroughly vicious principle. I now read from page 316 of Hansard of last year:

Mr. Ladner: What about old age pensions?
Mr. Mackenzie King: I am glad my hon. friend speaks of that. There is another case where we are giving to the provinces a lot of money in addition to what they are raising.
Mr. Ladner: Is that vicious?

Mr. Bennett: A thoroughly vicious principle.
Mr. Mackenzie King: I think it is, yes. I have come to the conclusion that it is a thoroughly vicious principle.

Mr. MACKENZIE KING: That has been read before; I read it myself.

Mr. BENNETT: You denied the statement, and so did the Minister of Finance (Mr. Dunning).

Mr. MACKENZIE KING: May I say to my hon. friend the mover of this resolution that when he introduced his amendment he was no doubt anxious to provide an opportunity to discuss the general question of unemployment. It is unfortunate that my hon. friend found it necessary to introduce the matter in the form of an amendment on going into supply. Probably he did so because he felt it to be his only opportunity, and that if he did not do so someone else might get ahead of him.

May I say to my hon. friend: that I hope when the debate is concluded he will feel that his purpose has been served and that we will have had a sufficient discussion of this question? I think the debate will run on in all likelihood for another day or two, and by the time it is finished I hope he will feel that the discussion has been ample, and that he will ask to have his amendment withdrawn. I do not think my hon. friend wishes to be put in the position of opposing the policies with regard to labour and other matters for which this government stands, and I do not think he wishes to place this government in the position where supply cannot be granted. We cannot accept his amendment for the reason that amongst other things we would be voting against the granting of our own supply. If permission to withdraw his amendment is not given by the unanimous consent of the house he and others might I think very well take the view that the discussion has accomplished the purpose he had in view.

May I say to my hon. friends who sit diagonally opposite that before very long they will find out—and particularly those who come from the western provinces—that hon. gentlemen opposite are anxious to unite in a vote with them in an effort to further their policies of higher protection. Hon. members opposite want to have those who are members of the Labour party and those who are members of the Progressive party vote with them on an amendment on going into supply. They desire that so that when we come to our next budget debate—because this has been practically a budget debate—they can claim this division as evidence that there is an unemployment problem due in some way to the policies of the present government, and that the policies that should be adopted are not those of this government or policies that may be akin, but, the policies of hon. gentlemen opposite, which we know are now and always will be simply matters of increased protection. I ask hon. members to study the position into which they are being drawn in connection with this particular debate. So far as the wording of the amendment is concerned we cannot accept it for still another reason. By implication it suggests that the government is not seeking to do anything in the matter of the relief of unemployment.

Mr. WOODSWORTH: That is true—or at least I put the question: is it not true?

Mr. MACKENZIE KING: May I just say this: my belief is that every major policy of the government has some bearing on the question of unemployment. I believe the policies of the present administration have brought our country from depression to prosperity and helped as nothing else could have done to lessen unemployment. I believe my hon. friend who has just interrupted is sincere in his desire to help labour and his fellow men. I wish he would believe that there are other hon. members in this house who are just as anxious as he is to do the same. Just because we do not see eye to eye with him on his particular nostrum, I hope he will not believe that we have not as much heart and soul as those who may label themselves the friends of labour to the exclusion of all others.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Hon. HUGH GUTHRIE (South Wellington): Mr. Speaker, I had not intended to participate in this discussion, but a day or two ago I received from the riding which I have the honour to represent in this house, communications which stated that on account of the unemployment in the city in which I live, it was considered to be my duty to lay before the government and before the house the real situation existing not only in that city but throughout the western portion of Ontario.

Since the opening of parliament I have been under the impression that there was but one opinion in this house as to the existence of a very critical situation with regard to employment or unemployment; I thought that it had been a matter of common knowledge

for months past in every quarter of the house and in every quarter of the country that such conditions existed. This matter has been referred to continually in the newspapers of the country regardless of their political affiliations; hardly a day passes that public attention is not drawn to this vital question. I have come to the conclusion after hearing members discussing this matter in the corridors of this house that there is but one mind on the subject, that unemployment does exist in Canada to a very grave extent. Until I heard the speech delivered this afternoon by the right hon. the Prime Minister (Mr. Mackenzie King) I was not aware that there were two opinions in the matter. I have listened with the greatest interest to the remarks of the hon. members for North Winnipeg (Mr. Heaps) and East Calgary (Mr. Adshead), as well as to the speeches delivered by hon. members on the other side of the house, notably by the hon. members for Winnipeg South Centre (Mr. Thorson) and North Battleford (Mr. McIntosh), and by the hon. Minister of Labour (Mr. Heenan). Not one of those hon. members attempted to deny that a serious condition exists in the matter of unemployment; until the Prime Minister spoke this afternoon it was accepted as the real situation.

I am inclined to think that the Prime Minister is significantly misinformed in regard to the conditions with respect to unemployment. I can well understand that the cry of the unemployed has not penetrated the comfortable seclusion of the Prime Minister of Canada, but I cannot understand why the Minister of Labour was not aware to the fullest extent of all the facts. We who are not connected with the government know a great deal about this question. We cannot shut our eyes to the facts; we know that they exist; we know that deputations have come to Ottawa to meet the Minister of Labour and have laid before him the true facts. The minister in the course of his three-hour speech did not attempt to deny those statements of fact, but he offered absolutely no suggestions for relief. As for the right hon. Prime Minister he boldly proclaimed that the government intended to do nothing.

The resolution before the house is very plain; it is merely that immediate action be taken to deal with the question of unemployment. The Prime Minister has told us to-day that there is practically no unemployment in this country. Have my hon. friends of the labour movement misrepresented this situation? Are they uninformed as to the true situation? Is the Minister of Labour uninformed? He did not deny the actual fact, but he could not give us any figures. Is the right hon. the Prime Minister correct in his attitude? What does he see in this plain, simple, direct amendment which evidently causes him so much alarm? As soon as I first read the amendment I thought that it was one which would be accepted unanimously by this house. In my own innocent way I thought that the Prime Minister would so manage matters as to be able to announce to the house that he would accept this amendment, not as a motion of want of confidence but as something which carried with it the unanimous approval of parliament. He did not take that course, but he suggests that in some way or other my hon. friends who represent labour in general are to be inveigled into adopting an attitude which they do not desire to adopt, they are to associate themselves with the Conservative opposition, which association will lead inevitably to disaster. That is something the Prime Minister has conjured up in his own mind. He asks that the amendment be withdrawn, which amendment would have been unanimously approved by this house were it not for the speech of the Prime Minister. I hope sincerely that the words of my right hon. friend had no influence upon the hon. member for North Winnipeg. The hon. member has moved a resolution which will be strongly supported in parliament, a step in the right direction, taken at the proper time. All he asks is that action be taken to remedy a grievance, and one of national extent. Should we not seek some remedy now, or should we be bluffed out of it by the high sounding phrases of the Prime Minister, who says in effect that he will not believe in a condition of unemployment unless the premiers of the various provinces bring the matter to his attention? Does he not feel that the members of parliament represent all the provinces of confederation? For all federal purposes we are the representatives of the provinces, and we bring to the attention of parliament the fact that in the various provinces there is an extreme, an emergent condition, and that it is the duty of parliament to take action under this emergency.

I have watched the career of the Prime Minister since he came into parliament. I am sorry he is not present to-night. I remember well when he entered parliament in 1908; and I refer to this matter because from his speech to-day and one on another occasion, one would imagine that he had been the great champion of the rights of labour since he entered the Canadian House of Commons. I heard him proclaim to-day what he had done in regard to technical education. What

are the facts? I know they are within Your Honour's knowledge. At the request of various organized labour bodies throughout Canada, in the year 1909 I had the honour of introducing into the House of Commons, while my right hon. friend was Minister of Labour in this parliament, a resolution asking for the appointment of a committee to investigate the question of technical education in order that the Dominion parliament might take some action in the matter. I was supported by two or three on the Liberal side of the house, where I then sat. What was the attitude of the then Minister of Labour, the present Prime Minister of this country? He rose in his place and after a long speech, he killed my motion; he moved the adjournment of the debate to put my motion to the foot of the list. I would not stand for his motion. We divided the house, and on that occasion for the first time I had the honour of voting with the Conservative party. But my right hon. friend called upon his followers who were in the majority to vote down the motion on technical education, and it was voted down. Much time did not elapse after the end of that session before the attitude of my right hon. friend entirely changed. He got busy. The labour unions communicated with him, and very soon thereafter by order in council he appointed the commission which he would not let parliament vote to appoint. Before that commission made a report to the House of Commons my right hon. friend was out of the house. He was out of the house from 1911 to 1919 and he had no more to do with the question of technical education. All he did was to kill the first motion. The Conservative party was in power when the grant was made by parliament to the various provinces in respect of technical education. He was not present either to support or to oppose the grant, but later on when he was in power as Prime Minister, he put an end to that grant and the provinces now do not enjoy a dollar from the Dominion treasury for technical education.

My right hon. friend said this afternoon that if a time ever comes when there is co-operation in this country between the federal authority and the provincial authorities in regard to labour, it will be a happy day for Canada. Does any hon. member think my right hon. friend this afternoon advanced the cause of cooperation by the statements which he made on two occasions when in this house he proclaimed a new policy, a new doctrine; when he announced on two occasions during the course of his speech that under certain circumstances he would be prepared to grant out of the Dominion treasury money to two provinces which at present had Progressive governments and to two provinces which at present had Liberal governments, but he would never consent to a dollar being paid out of the treasury of Canada to any province that had a Conservative government? Was there ever a more glaring piece of impropriety on the part of a prime minister? What does that language amount to? It is a threat or a bluff against five of the great provinces of Canada, and an inducement or a bribe to vote Liberal, and that from the lips of the Prime Minister! Surely that is "a vicious principle" to proclaim in public. It is an exposure of the narrow, partisan mind of the Prime Minister himself. Language of that kind might be worthy of a Tammany leader in the lower wards of New York, where they say: You will vote the whole ticket or you will get no money; but it is unworthy falling from the lips of the Prime Minister of this country. I for one sincerely hope that for the good name of parliament, for the dignity of the house, the Prime Minister, before this debate is concluded, will rise in his place and withdraw the improper remarks he made this afternoon.

What think you, Mr. Speaker, of the great province of Ontario, being threatened or bluffed in that manner—the richest province we have, the largest contributor in taxation to the treasury of this country, a province which recently went through a provincial election where the people, almost to the extent of eighty per cent of those who voted, cast their ballots in support of a Tory administration and returned it to power; an administration that is in office to-day by the largest majority of popular vote and sitting members that has ever existed in the Ontario legislature? What think you of a threat or a bluff to that legislature or to the voters who elected it? We provide in our election act against threats and inducements to the individual. What say we when the Prime Minister of Canada threatens a whole province that if they do not agree with him and elect a Grit legislature no money will come out of the Dominion treasury for that province?

There is another remark made this afternoon by the Prime Minister, for what purpose I know not, but a remark that I want to draw to the attention of the hon. gentleman who moved the motion. The Prime Minister argues that he has had no complaints from lawyers, doctors, professional men or financiers in regard to unemployment. Does he realize the meaning of the resolution which we are

at present discussing? It is a motion for the relief of the wage earner, not of anybody else. It is for the relief of the wage earners who are thrown out of employment. It is their cry which we hear throughout the length and breadth of the land, and it is to remedy their condition that this motion has been launched by the hon. member for North Winnipeg. I will grant that there may be room for a great difference of opinion as to what has brought about the present disastrous situation in this country. I know hon. members opposite take the view that they cannot attribute any part of this disastrous situation to the record of the present government. On the other hand I am just as firmly convinced in my own mind that the proximate cause, the chief contributing cause, of the situation which we have in Canada to-day has been the mistaken fiscal policy of this government during the years it has been in power. But let us differ upon that. We are not engaged now upon an inquiry into the causes; we are concerned with the facts. We have a situation here; or, in the language of former President Cleveland of the United States, we are confronted by a condition, not a theory. We have the unemployment, and the motion before the house asks for immediate action by way of relief.

I cannot accept the position either of the Prime Minister or of the Minister of Labour (Mr. Heenan) in regard to the responsibility which rests upon this parliament under these circumstances. I believe that, in the first instance, the liability or responsibility is upon the municipality. In the second instance, it is upon the provincial authorities. But that does not exclude liability or responsibility upon the part of this parliament. In my judgment we are legally and morally just as responsible as are the municipalities and the provinces. Let me point out just what I mean by that statement.

My hon. friend has pointed out that under the British North America Act, all charities and all eleemosynary institutions are under the control of the province. I do not think that the labouring people of this country who are out of employment are asking for charity. They are asking for rights, not for charitable contributions. I would also point out that under section 91 of the British North America Act all matters pertaining to the country at large are expressly placed under the jurisdiction of this parliament, and for those matters we are responsible. Included in them is, first, the whole question of trade and commerce. Any mismanagement of trade and commerce matters in Canada will reflect upon employment in this country. Parliament is the only instrument that can manage or mismanage

[Mr. Guthrie.]

our trade and commerce, and if we make an error which causes unemployment we surely should in the first instance bear the responsibility. Let me illustrate that by something that happened just two years ago. The then Minister of Finance brought down a measure to remove the customs duty on worsted yarns taking off the duty of 12½ per cent and putting woollen yarns on the free list. Immediately after that action was taken, about 50 men were thrown out of employment in a worsted mill in the city of Guelph, and 150 were thrown out of employment in the town of Hespeler, nine miles from my city. That was the direct consequence of the action of this parliament. Nothing else intervened. This parliament decreed that worsted yarns such as were made in these factories should be placed on the free list, and no more yarns were made in those factories. They were imported from Bradford, England, and men to the number I have mentioned were thrown out of employment. Who was responsible for that unemployment in the first instance? I do not say that that unemployment in those two individual cases exists to-day. I am using them only as an illustration of what may happen through the action of this parliament. Who caused that unemployment? Why, this Dominion parliament when it changed the tariff schedules in regard to woollen yarns.

Note, also, that the largest employers of labour in Canada are under the direct jurisdiction of this parliament; I refer to the two great transportation systems. No other legislature in this country except this parliament has jurisdiction in respect to the Canadian Pacific railway or the Canadian National railway, which are by long odds the greatest employers of labour in Canada. The legislation of this parliament and of this parliament alone can affect them. We by an act, if we so chose, could throw thousands upon thousands of men out of employment on the railways. Would any responsibility rest upon us in that regard? Would not the first responsibility rest upon us in that regard? I maintain that ours would be the initial responsibility.

So, Mr. Speaker, in everything pertaining to trade and commerce and in everything pertaining to our great transportation systems we in this parliament have absolute and exclusive jurisdiction, and any act of ours that throws men out of employment surely places upon our shoulders the responsibility for anything that may occur. I cannot see it in any other light. Our responsibility for unemployment is just as great as that of the provinces and just as great as that of the municipalities. If the condition exists which I believe, nay, which I

know, exists throughout the length and breadth of Canada to-day in regard to employment and unemployment, I submit that it is our duty to intervene, and had it not been for the speech this afternoon of my right hon. friend the Prime Minister, our intervention and our assistance would have been a matter of unanimous action in this house. Now that is blocked by the action of a single individual who happens for the time being to be the head of the government.

Is it too late to make a plea to the government to reconsider the position which the Prime Minister took this afternoon? I am impressed with the seriousness of the situation. I hear on every side of thousands and thousands of men out of employment. I do not get my evidence from the provincial premiers. No one needs to wait for such news; it is a matter of common knowledge. What are the conditions? Five or six thousand men out in one city in British Columbia; four hundred families in Edmonton being taken care of by the city and two hundred single men by the provincial government; ten thousand out of employment, I am told, in the city of Winnipeg; twenty-five to thirty thousand out of employment in the city of Toronto; in Windsor, thousands of mechanics walking the streets. I was in Windsor three weeks ago, and a pitiable sight is to be seen there about noon on an ordinary week day. In Oshawa thousands of men are out of employment. In every city in western Ontario it is the same story, and still the Prime Minister of this country proclaims to-day that there is no emergency, that there is nothing unusual in the situation.

The Minister of Labour, charged with the administration of the particular department which should have all the information in regard to employment and unemployment appears before us absolutely ignorant of the situation and unable to tell us how many men are to-day out of employment in the Dominion of Canada. That is the spectacle under the government of my right hon. friend, who proclaims himself a great friend of Labour. I will say this for him: During his whole career since 1908 in this house, I do not believe that there is any man in this country, or for that matter, in any other country, who has thought so much and has talked so much and written so much upon labour questions, and done so little for labour, as my right hon. friend. But I am not yet going to abandon all hope, I believe there is still time for him to consider the real situation. We do not need to make a party question out of this. We are not trying to gain any party advantage, notwithstanding the insinuations of the Prime Minister. It is not our motion; we were not consulted about it. There is nothing behind the motion, so far as I know, but the one straight question: Shall we grant the needed relief or shall we not? The occasions upon which I have made appeals to this government have not been very many and so far they have been uniformly unsuccessful. I wonder if I could do better on this occasion. I do not believe there is much use making an appeal under these circumstances to my hon. friend the Minister of Labour. While outwardly he is the most genial and whole-souled man you could meet anywhere, under his skin I find he is as hard as flint. I am afraid there is no hope from him. In a three hour speech he offered nothing—no remedy, no solution, no contribution, no assistance. I am afraid my appeal to him will fall on deaf ears. I see a smile on the face of my hon. friend the Minister of Public Works (Mr. Elliott). Is it worth my while making an appeal to him? I am afraid not. I am afraid he does not understand the real situation—he does not know what it means to have a wife and children crying for bread; if he did, I believe there would be more hope from him than from many others. Then there are my hon. friends the Minister of Finance (Mr. Dunning) and the Minister of Railways (Mr. Crerar). No; I do not hope for much from them. Their views are circumscribed, their horizon is very limited; they cannot see past the conditions of the western wheat farmer; they know nothing of industrial employment in the rest of Canada. I am afraid I can make no impression on them. And as to my friend the Postmaster General (Mr. Veniot), I said the Minister of Labour was hard as flint; I can only refer to the Postmaster General as harder than granite. Twice last session I tried as earnestly as a man could try, I appealed as fervently as a man could appeal, for a little more pay for the rural mail carriers, for the letter carriers, and for the railway postal clerks, and my appeal fell on deaf ears; for when I had finished he merely gave orders for the crack of the party whip and the ring of the division bells, and down I was voted.

Mr. VENIOT: The prayer of the wicked availeth nothing.

Mr. GUTHRIE: That is perhaps true. I wish my hon. friend from North Bruce (Mr. Malcolm) was in the house. He is a genial, smiling fellow, and I have no doubt he is a man with a big heart; he does understand the unemployment situation, and he has taken

apparently every opportunity to be absent during the course of this debate. He knows the condition of labour, he knows the terrible hardship of men with families to support and no money to buy food and clothing. They say that, like myself, he has a strain of good Scotch blood in him. Perhaps he is a bit thrifty, but I cannot believe it. When I recall how he was able to splash around the money of this country in North Bruce last year and is doing it again this year, I say to myself: Surely he can find in the recesses of the treasury some place where he can dig up half a million, a million or a million and a half for the relief of the unemployed at the present moment. Well, I have still my right hon. friend the Prime Minister, to appeal to. After his speech today I have not very much hope of persuading him, but I can tell him this: If he will rise to the occasion now, if he will make a compromise in the matter, if he will go down into the treasury and produce some money to assist the unemployed now, he will have the intense gratitude of a tremendous number of people in the Dominion. Some hon. members may ask why I do not do it myself. We in this house are aware that no private member can introduce a resolution or a bill involving the expenditure of one dollar of public money. That is why I am making an appeal to the government. If I were able to do so under the rules of this house, to-morrow I would bring in a bill for the expenditure of half a million, a million, or a million and a half dollars to join with the municipalities and the provinces in bearing this burden and granting this relief; but, as I say, unfortunately no private member can do so.

Now I ask my right hon. friend again if he will not do so. The bill will pass unanimously. I ask him to do it before we adjourn this Easter. Before we go home let us remedy this situation. Then while he is enjoying his Easter holiday let him develop some permanent policy to meet the recurring unemployment which comes to us annually on account of the rigour of our winter season. That is the plan I suggest to him. Do something now; that is what the motion asks—immediate action. Develop then a permanent policy and bring it down, and we will help him. I cannot imagine there is any shortage of money. Last year the government announced a surplus of $70,000,000 in the treasury. Surely there are one, or two, or three million dollars that they can devote to this laudable purpose. I cannot believe that a government that will go down into the treasury of this country and spend half a million dollars a year on motor cars cannot dig up half a million dollars for the unemployed. I cannot believe that a government that will go down into the treasury of this country and spend half a million dollars on a building for a rich representative in the city of Washington cannot get half a million dollars for the unemployed. I tell my right hon. friend that if he tries he can get this money, and we will cause him no difficulty. Let him get it and distribute it pro rata amongst all the provinces, disregarding that improper statement which he made in the house this afternoon. Let him do it now and he will earn the gratitude of a tremendous number of people in the country now politically opposed to him. We will not oppose him, we will help him. Will he do it? He will have the unanimous voice of the House of Commons behind him if he will. I pledge myself that if he will do it I will never mention the fact as an act of contrition on his part, or a concession or admission that his government has failed to do anything during the last seven or eight years.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I propose to give to this subject of unemployment the attention that its serious character demands, and I will be a proud man if any suggestion that I may make will aid by ever so little in the solution of this question. For that reason, sir, I have neither the time nor the inclination, to imitate some of the partisan speeches that have been made in the course of this debate. Supposedly dealing with unemployment they were very much earmarked as being part of the usual preelection political ballyhoo—I think that is the word. As the debate progressed I recognized the time-worn platitudes, the glistening generalities, and the old familiar catchwords that we associate with the approach of a general election. Let me quote some of them: Canada the land of promise; Canada the land of broad, wide open spaces; our red-blooded citizens; the hand that rocks the cradle rules the world, and so on; but often descending to the most petty personalities, both as regards parties and as regards individuals.

Now, what aid is it to the unemployed if we say that Bob on one side of the house, after hours of debate, demonstrates that Peter on the other side once upon a time made a political bet; or we will say that Jim on this side of the house, after much wrangling of Hansard and so on, proves that John on the other side three weeks ago at some place in the west, said something somewhat different from the language he used when opening a flower show in Prince Edward Island nine and

three quarter years before? That is the sort of stuff we have been listening to. Is this the best statesmanship we can give to the men who sent us here? If we cannot act as statesmen at least let us try to reach a little higher grade than schoolboys squabbling over a game of marbles.

Now, as regards the unemployment question, I want to state my position quite frankly. I am of the opinion that the Dominion government, being the dominant factor, so to speak, in the confederation of the provinces should call a conference of the provinces to deal with this subject. I think the conference should have a twofold purpose in mind. First, it should discuss the underlying causes of more or less permanent or recurring unemployment, and the possible remedies for those conditions. Secondly, in a subordinate degree, it should consider with the provinces unemployment insurance, and whether they could cooperate either to devise a scheme that would be workable under the British North America Act as it now exists, or, with the consent of all the provinces, make such a change in the British North America Act as would permit the inauguration of such a scheme. The idea of such a conference would meet with general support throughout the country. It would not commit the government to any lavish expenditure, beyond preliminary expenses, and much good would be likely to come from it. It would perhaps demonstrate to our industries methods of reducing seasonal unemployment, which is so much a cause of the trouble. It would educate us in the true conditions regarding the unemployment situation.

May I say a word at this point in regard to the remarks of the Prime Minister (Mr. Mackenzie King) this afternoon. I think he misapprehended the purpose and the meaning of the amendment introduced by the hon. member for North Winnipeg (Mr. Heaps). The amendment is that in the opinion of this house the government should take immediate action to deal with the question of unemployment. That is the amendment, and no more than that. The Prime Minister appeared to go upon the premises that his government had been asked to make two very heavy expenditures, one to meet immediate relief and the other to inaugurate a system of unemployment insurance. Neither is an essential of the request made in the resolution. In the first instance, as to dealing with unemployment, it might take the form of a reduction of expenses. For instance, it might be asked or suggested that immigration should be curtailed, and a saving thereby effected, or it might necessitate certain legislation or representations to encourage industry to cut down periods of seasonal unemployment. At this stage I might quote a clipping from to-night's issue of a labour paper in the United States:

> Governor Roosevelt, of New York state, has appointed a committee of five to study and make plans for the stabilization of industry and the prevention of unemployment.

This has nothing to do with the present depression, but is looking forward to the preventing of a recurrence of unemployment in the future. That is what I understood the purpose of the amendment before us to be. As to unemployment insurance, the resolution does not ask, and the government might never be asked, to spend a nickel in connection with it. It may be found when this conference is called that the provinces will be agreeable to recognizing unemployment as their responsibility, and they might agree to pay the whole of the State's share of unemployment insurance. However, as no one province can successfully inaugurate a system of unemployment relief, and it would be impossible to have nine different and competing systems, it would be necessary for the Dominion government to inaugurate what might be called the machinery, and the different provinces would come in and agree to bear the expense. Possibly it has been suggested that the Dominion government might pay a portion, but it does not follow as a matter of course that because we ask the Dominion Government to consider legislation of that nature we are asking it to commit itself to any outlay in that regard.

As to unemployment, I am afraid as long as we have our present economic conditions, and the easy way in which we can speed up production, we will always have it with us; I think it will get worse. Even when times are thoroughly prosperous there is a great amount of unemployment, as I shall attempt to show in a moment. Then when the reaction comes the drop from the high standard of employment makes it even more severe. I am inclined to agree with a leading economist of the United States who says that unemployment will be the biggest problem in that country during the next decade, and he attributes the condition to standardization of industry and to improved technique. To bring it home to us in Canada, I shall quote the conditions in Vancouver. If I understood correctly the hon. member who just took his seat, he said that in one city of the province of British Columbia there are between five thousand and six thousand unemployed. No doubt when he quotes those figures he is exercising a political poetic licence, because, I have returns from Vancouver, the big-

gest city of British Columbia, to the effect that for the two weeks ending January 29, 1930, there were only 1,093 unemployed. It cost that city $25,400 for those two weeks to furnish work for unemployed labour. For total relief including people who were not able to work, the cost was $36,000. For the whole of last year the total cost for unemployment work and relief in the city of Vancouver was $232,000. This condition is coincident with a period of prosperity in that city. The industrial payroll has gone up $1,700,000 in the last year; more than one thousand men have been added to the industrial payroll in the city of Vancouver, and it is in a prosperous condition, the total payroll being $65,000,000 a year. Yet we have a constantly growing number of unemployed who require assistance.

I had occasion recently to look at these men; I went out and watched them at work. I did not announce myself or speak to the foreman, but I just watched them, and I wish to say that only a very small percentage of those men were apparently addicted to either drink or dope. They were not the down-and-out variety, but were honest working men, quite able, willing and anxious to work if they could. I watched the rate at which they worked and I found it was up to the average. I must say that they worked a good deal harder than I would have done for one dollar a day; the single man receives one dollar per day, and the married man two dollars.

Early in the month of January the city of Vancouver called an unemployment conference. That city invited a representative from the Dominion government, which did not send one and should have done so; it invited representatives from the province, who acted in a similar manner to the Dominion; it invited the British Columbia provincial members and all the Dominion members from the province of British Columbia. As a result one of the provincial members attended, and none of the federal members, except myself. I had three days' travel to get there and back, whereas many members who lived in the city of Vancouver or nearby did not attend; probably they did not have the time or interest to go and inquire into the industrial and unemployment conditions in their own locality. I venture to say they will find an abundance of time, however, during the next election campaign to come swarming into my constituency as they have done in the past in a method comparable only to the nine plagues in the time of the Pharaohs, seeking, of course, to coerce and bully the electorate, and to compel them to vote in such a way as to suit their peculiar points of view. I am glad to say my electors are free born, independent men and women, and not coerced so easily.

I may say, indeed, that the invasion has already begun. Last week a cabinet minister and a private member of the legislature took part in a nominating convention in my district, and the Hon. R. L. (Pat) Maitland was quoted as saying this:

> Speaking of Independent candidates, Mr. Maitland said that he had never met Mr. Neill. He must be a good man or he would not occupy his present position.

I have often had occasion to applaud remarks made by our Conservative friends, but I do not think I have ever done it with more sincerity than when I applaud that remark. I hope he will come again and bring his friends with him. If they follow the line this man took it will do me good, and if they take a different line it will do them harm.

At this conference on unemployment I was asked to say a few words, and I pointed out at that time what I thought were the underlying causes and possible remedies. I am glad to say since I have come to this house I learn from the remarks made by labour and other members that my views coincide a good deal with theirs. The suggested causes of unemployment which I gave were four: First, over-immigration; second, seasonal production and unregulated production; third, the mechanization of industry, which is even extending to farming now, and fourth, business depression. Possibly that last is more caused by unemployment, but there are cases in which financial panics, stock market crashes and the like, would affect employment.

The remedies which I suggested, in a simple way, were: First, with regard to immigration, my suggestion was to stop assisted immigration. That has been generally accepted by the country and I understand the government has put it more or less into effect, but I will go further and suggest that we stop all immigration for the present time. We have a precedent for that in New Zealand, which is very much in touch with the old country. I saw recently, on February 1, that Sir Joseph Ward, the Prime Minister of New Zealand, stated that he has notified Great Britain that owing to the number of unemployed in New Zealand his government would not be able to accept any of Great Britain's surplus population. If that is good for New Zealand probably it would be good for us, for a short time at least.

Then I would suggest that the Dominion government, the provincial governments and the municipalities take active steps so to

arrange their programs of expenditure—because they spend enormous sums of money in the aggregate—as to make the work begin earlier in the spring and continue until later in the fall. Certainly that would help a great deal in keeping down the peak of employment, and would result in a smaller number being unemployed in the winter time. Then again I think industry should be encouraged by the government, and perhaps by the provinces as well, to aid in doing away with rush periods. I am not familiar with the boot and shoe business, but I am told that there is a period, three or four months in length and occurring twice a year, in which the peak production is reached, after which there is a slack time. Probably that could be overcome. There is an industry in the United States dealing with some foreign product which enters that country only about three months in the year. That formerly meant an enormous difference between the high and low levels of employment, something like 600 per cent. Now they are putting this product into cold storage for a while, and that has brought that difference down to normal. It is good business for them to make that change, because now they have permanent, steady workmen in their service. Things like that would cost nothing and would help industry, and the different branches of industry might be encouraged along that line by means of investigations by government officials or possibly by a commission appointed for that purpose. I can illustrate that point by referring again to the commission appointed by Governor Roosevelt of the state of New York, which has for its purpose the readjustment of industry to reduce seasonal unemployment.

Then we come to the question of the mechanization of industry. Of course it is obvious what that means. Production by machinery has gone ahead so fast that to-day one man can produce what it used to take ten, twenty, or thirty men to produce. Not only is that the case, but we have also constant new inventions. Hardly a month, and certainly not a year, goes by without comparatively large bodies of men not only being thrown out of work temporarily but finding their occupation entirely wiped out owing to the invention of some improved machinery. These are things we cannot avoid and could not stop. We would not stop them if we could; that would be going back to medieval times, like doing away with trains and so on, but we should take cognizance of it and take steps to remedy any grievance or any hardship which might result from this rapid increase in mechanization.

Now we come to the last remedy which I suggest both for these and for other conditions which I have outlined. I suppose it will be regarded as revolutionary, but my suggestion is that we should have a shorter working day. I was much surprised and pleased to hear the hon. member for Winnipeg North Centre (Mr. Woodsworth) state during the course of his remarks that there had been a petition signed by the mayor and council, on behalf of the citizens of Winnipeg and the province of Manitoba, asking that the Dominion government take steps to shorten the working day. If a city council as large as that of Winnipeg, composed for the most part, not of working men but of business men, can take that line, surely it is worth at least considering, and it shows that such a movement possibly might be acceptable generally. I see that the Labour Statesman, of Vancouver, endorses the same idea and says:

> While the short-sighted employers of Canada desire an ever abundant supply of subsidized immigrants, so that they can continue to operate their industries with low-paid labour, from everywhere there is the cry for more markets to consume the products of the modern producing machine. What better way is there than to make this possible by a well-paid wage-earning class?

Certainly I can endorse that suggestion.

Now we come to the question of unemployment insurance, and I put that last because I realize that it is only a palliative, that it is only treating a symptom of the disease. It is like a doctor treating a man for a headache when he has a fever. It is all right to treat the symptom but at the same time you must get at the underlying trouble. Here I differ for the first time, I think, with my hon. friend for North Winnipeg. He says the Dominion can and should and must deal with the question, that it is our responsibility as members of this federal parliament. Well, the Scriptures say that if you have faith you may move mountains, but it does not say anything about faith moving the British North America Act. If I have enough 60 per cent dynamite I can remove the mountain without faith, but I can do nothing with the British North America Act. I may say that to-day is some other day in the month or year than the calendar shows it to be, but no amount of eloquence and no amount of belief on my part can change the cold fact that it is not that day. It is just the same with the British North America Act; no matter how much we may desire that the government should not be bound by that act, the fact remains that the government is bound, and we cannot evade that fact.

Let me quote an instance which comes from British Columbia. Ever since the time of confederation the government has proceeded on the theory that the fisheries were entirely under the jurisdiction of the Dominion. A case came up in police court; it was appealed and went on from court to court until finally it went to the privy council, where it was decided that a considerable proportion of the jurisdiction, that on land, belongs to the provinces. What is the condition? That does not suit the Dominion; it does not suit the provinces either and certainly it does not suit the industry, because it is a dual control which is undesirable, but what are we to do about it? We say it is wrong, that the Dominion should have complete control. I will agree with that. Some people think the provinces should have the entire responsibility, but they do not have it. That is the British North America Act, and that is an illustration that no matter how much we may desire to get away from that act, we cannot do so. Change it if you like; get together with the provinces and agree to amend it, but we cannot ignore it.

The hon. member spoke of old age pensions as an example of what this government could do. That is an entirely different thing. In connection with old age pensions we gave the provinces so much money and we did not propose to force the working man to pay a portion of his wages as would be the case if we had unemployment insurance. I need not go into that; it is obvious that one province could not successfully inaugurate an unemployment insurance scheme. I grant that the Dominion could and perhaps should assist; I do not know about that; they can assist if all the provinces are agreeable, but if all the provinces are agreeable you can do anything; you can change the British North America Act if you like.

Now I want to refer to the report with respect to unemployment insurance brought to the house last year by the committee on industrial and international relations. The committee recommended simply that the federal government be requested to bring the subject matter of the report before the next Dominion-provincial conference. I find that the Ottawa Journal of the next day has this to say, after commenting on the report:

> It is to be hoped that parliament and the government find a resting place for these recommendations in the most convenient waste basket. . . . . It is absolute nonsense. This country has no more need of unemployment insurance than it has need of polygamy.

I wonder what the hon. member for South Wellington (Mr. Guthrie) thinks about that statement in his party organ. That was not published thirty or forty years ago; that was last year. It reminds me of an item which appeared in a newspaper many years ago with regard to a man who was trying to sell shares in a telephone company. The newspaper said he should be put in gaol, because everybody knew it was nonsense and even if it could be used there was no commercial value in it! Times change, however, and there has been a considerable feeling growing up throughout the country with regard to this question even in the last year. We find three large cities in Canada suggesting this same thing, and then we have the resolution referred to by the hon. member for Winnipeg South Centre (Mr. Thorson) passed by this convention on unemployment held recently in Winnipeg. This convention was not composed of unemployed men, but rather of representatives of cities, men in business who were responsible for the financing and running of those cities. This convention passed a resolution which concluded as follows:

> Therefore be it resolved that this conference endorses the principle of unemployment insurance, and urges the calling of an interprovincial and federal conference at the earliest possible date for the consideration of the adoption of a Dominion-wide scheme.

The mover of that resolution was an alderman from Fort William, not a working man in the sense of being unemployed, and the seconder was a representative of the Saskatchewan government. As I have pointed out already, that was not a council of idle men, it was a conference of business men seeking a solution for this problem.

I would like to emphasize that when we speak of unemployment insurance we do not mean the dole. The dole has been mixed up with unemployment insurance, much to the disadvantage of this insurance scheme. This insurance is similar to that carried on by fraternal societies, where the insured must have paid for thirteen weeks before he can collect anything and where he can draw only so much per year. The government of the day in Great Britain, perhaps owing to some pressure of politics, or I believe some strike, put down the bars and extended the benefits. The result was not an insurance, it was a payment to all and sundry who asked for it.

Mr. SPENCER: Is it not a fact that in Great Britain the employees have to subscribe to the fund when they are in employment?

Mr. NEILL: Yes, but under the extended system they were released from having to make any payments before getting relief. Beginning, I think, on May 1, they are going

back to the old system. It will then pay its way, as it did before they introduced the extended system known as the dole. The trades and labour council has gone on record as being in favour of this scheme. I will not detain the house by reading their resolution, but they are in favour of the workmen paying at least one-third of the cost, and the scheme being put on an actuarial basis.

I believe that public sentiment is veering towards this proposed scheme. When a city the size of Vancouver is forced to pay more than a quarter of a million dollars annually for relief, is it any wonder that they are interested in a reasonable system of unemployment insurance. The question of cost is always a vital one. The suggestion is that a third is to be paid by the men, a third by the employers, and a third by the state, although it is not stated whether that is dominion or provincial, or whether that third will be split half and half. But in the consideration of this phase of cost we should not overlook the concealed cost.

Unfortunately, unemployment is progressive. Every man who is out of employment is forced to butt into the other man's job, and that throws him out. Then presently he and his family have lost their purchasing power, and that in turn throws more men out of employment. A considerable loss is brought about by deterioration. Six weeks' idleness makes a man a potential hobo; six months' idleness makes him a potential criminal. In the early nineties I had an experience in the city of Vancouver somewhat along that line. I was very hard up, and could not get work, although I had not reached the point of actual destitution, but I could not help but notice the rapid mental degeneration of other men in like circumstances. The idle rich can find something with which to employ themselves, but the idle poor has nothing to do. A man in such circumstances deteriorates mentally and physically at a most remarkable and rapid gait. Three years ago I was in the House of Commons in London and I heard a man who is now a member of the cabinet make the statement that the gap between unemployed and unemployable was very narrow, and that the gap between unemployable and criminal was narrower still. A man will steal before he will see his children starve, at least I know I would. Think what is involved in that. We are forced to pay the costs of an army of police, courts, magistrates, judges, jails and such things. Statisticians tell us that after a man has been in jail three times he rarely comes back; he is a criminal for the rest of his life, and has to be kept by the people. If he has been in jail twice, he has some hope, and that hope is increased where he has had but one jail sentence. A certain percentage of the men sent to jail for petty stealing into which they are forced by these conditions will never get back to normal life. Then there is the price of ill health to be paid. Statisticians tell us that preventable ill health costs more than all the wars in the world. Wars occur only occasionally, but this thing is going on all the time. There is a lack of proper sanitation, a lack of proper food and clothing; all these things tell upon the population. There are the mental, moral and physical weaklings caused by such conditions, who in turn breed further generations of weaklings.

Unemployment insurance is insurance not only against unemployment but against something else—it is insurance against sovietism. I do not say that the working man of Canada would go to that extreme, he has too much sense, but we must be prepared to meet the political upheaval which might follow a continuance of such conditions. How can we assume that a starving man or woman will reason with the precision of a university professor? Can we blame them for acts committed when they are in a condition of helplessness and hopelessness. I do not know of two more damnable conditions in which the human mind can be than those of absolute hopelessness and absolute helplessness. Can we wonder that men in such a state of mind will hit out against the system under which they are suffering and under which they do not receive a fair deal?

Deducting these costs from any monetary costs of establishing a system of unemployment insurance leaves a very small debit, if any, to be considered. The question is not that we cannot afford to do it, but that we cannot afford not to do it. It is our duty as would-be statesmen working for the people to do everything possible to not only check this continual unemployment but to relieve any occasional unemployment which may still occur.

Mr. I. D. MACDOUGALL (Inverness): Mr. Speaker, I trust that the hon. gentleman who has just resumed his seat (Mr. Neill) will not adjudge me guilty of any lack of courtesy if I do not attempt to follow his remarks. I do not do so for the reason that the hon. member, like myself, is a private member, and the responsibility for this matter rests upon the government. I would refer to the speech of the man to whom the labouring people of Canada have looked during this debate, namely the man in control of the Labour department, the Minister of Labour (Mr.

Heenan). Before I make any comments upon his remarks, may I offer him perhaps what is a unique form of congratulation? I have to congratulate him for delivering in this House of Commons what in my judgment was certainly one of the longest, one of the most illogical, one of the most inelegantly expressed, and one of the most hopelessly mixed speeches ever inflicted upon any parliament of Canada. Out of this Gratiano performance of the Minister of Labour, I shall attempt to extract some little common sense. I use that character as an example, because when Shakespeare delineated the character of Gratiano in the Merchant of Venice there must have passed through the prophetic mind of the great poet a performance such as we had yesterday from the Minister of Labour. Certainly the minister spoke an infinite deal of nothing; his reasons were as two grains of wheat hid in two bushels of chaff; you shall seek all day ere you find them, and when you have them, they are not worth the search.

Out of this welter of illogical conclusions and grammatical errors I have tried to extract a little common sense. I have found this: the hon gentleman told us in his speech that he had conceived a permanent plan to solve unemployment in Canada; he had conceived that within the fathomless—I had almost said abyss, but I will say recesses—of his mighty mind. It has not been given to the people of Canada yet. I could very well conjure up the sleepless nights and laborious hours that the hon. gentleman consumed in evolving the plan within his mind. I could very well understand the amount of mental energy that was consumed in the process that he described. But after telling us that he had devoted all this time to forming some plan to deal with unemployment in this country, he wasted two hours of the time of the house in reading extracts trying to prove that there was no unemployment to which the great plan that he had endeavoured to evolve could be applied. I mention this just to indicate one of the choice illogical titbits from the clumsy and spavined intellectual performance of my hon. friend.

Ah, but there is, in the speech of my hon. friend, another point, if I may so designate it to which I should like to refer. Not, mark you, saying what he said in London; not saying what he will say in the back concessions when he is let loose from parliament, he said that the time was not yet ripe for unemployment insurance. Why? Because, he says, the people of this country have to be educated; it is advanced social legislation and the working people have to be educated before we can introduce unemployment insurance. Whence must their education come? We would naturally suppose it would come from the man who presides over the destinies of the Labour department for the whole of Canada. If that be the fountain head, the source whence education on this problem of unemployment insurance must come, all I have to say to the unemployed, to the organized labouring people of Canada is this: The Minister of Labour is the source whence education on unemployment insurance must come: read his speech and then weep for yourselves, for your children and for unemployment insurance.

But there might be some point in having public opinion in Canada crystallized along the line of unemployment insurance. If there be any need for education along this line, the party that now holds power has had ample opportunity in which to provide it. I read over the platform on which the Prime Minister attained his position as leader of the Liberal party, on which he succeeded in getting the votes of the electorate, and I find that in that platform was a commission for unemployment insurance. That was in 1919, eleven years ago. What did the Prime Minister have to say about it this afternoon? Did he come out and say, as I suppose he would say when he accepted nomination as leader of the party, that he would do something? In all the ramblings of the Prime Minister this afternoon you cannot find a single definite, positive statement, that he is going to do anything in regard to the question of unemployment insurance. Yet he was able, supporting unemployment insurance as one of the planks in his platform, to get the votes of the people of this country. Fortunate it is for the people, particularly for the unemployed, that he will never get those votes again! But if there be any education required in regard to the matter of unemployment insurance—and I want to submit this to the Minister of Labour that labour in Canada will not take kindly to that suggestion; for labour in Canada is just as advanced in the matter of social problems as labour in any other country in the world. They do not need any education, particularly from the Minister of Labour. He is not capable of giving any education to anybody. But eleven years have passed since the Prime Minister adopted this plank in the Liberal party and nothing has been done.

There is in the speech of the Minister of Labour another statement to which I might make a passing reference. He said that the present government should be given great credit for the fact that it is going to establish an eight-hour day on public works under

government control. May I point this out? For two years the hon. member for Winnipeg North Centre (Mr. Woodsworth), myself and others in the opposition have been demanding that this be done. Last year when the minister's estimates were before the house, we succeeded in getting a promise from him that he would at this session introduce a bill making provision for an eight-hour day on works controlled by the government of Canada, and also making provision for the payment of a living wage. When there was no sign of that bill being introduced in the early stages of this session, at the very first occasion on which the Minister of Public Works introduced his estimates, I took the matter up again and for over an hour discussed it in the house. Two weeks afterwards, when nothing was being done, members of the opposition, including myself, held up the estimates of the Minister of Public Works for two hours and a half until we succeeded in getting a definite promise that that legislation would be introduced at the present session. It is now being introduced, and one of the Toronto papers, I think it was the Toronto Star, supporting the present government, comes out with the statement that this legislation will mean $600,000 a year to the people of Canada. They follow this with the statement: "Hats off to Peter Heenan."

Some hon. MEMBERS: Hear, hear.

Mr. MACDOUGALL: I hear some members faintly applauding. I hope they will applaud after I have concluded my statement. I might point out that the hon. gentleman to whom hats ought to be taken off has been Minister of Labour for four years. I think he assumed office in 1926; he should never have assumed it at all. If that legislation which he was forced by the opposition to bring into the house means $600,000 a year to labour in this country, this means simply that the hon. gentleman by his passivity and indifference to the cause of labour for four years has brought about a loss to labour amounting to $2,400,000, on account of his not having introduced that legislation four years ago. Let the Toronto Daily Star take account of that statement, and then let it give it out to the labour people of Canada and ask them to take their hats off to the Minister of Labour. So much for the rambling, rattling, illogical speech of the Minister of Labour.

In respect to the amendment which is before the house, there is no other question that could be considered by the parliament of Canada which is of greater importance than that of unemployment. Not only is this question serious to those men—and there are to-day thousands of them in Canada—who stand idle, who are without work, whose wives and children as a consequence are without bread, but it is a matter of very great consequence and concern to the whole of society. Society has been compared by sociologists to the human body. Just as the human body is made of different members, so too is society. Individuals are the members of society. Where, in the case of the human body, its members are functioning properly, you have a healthy physical organism. Where one or two members may not be functioning properly, you have a diseased organism. So too, in the case of society. Where you have hundreds of thousands unemployed—and there are over a hundred thousand unemployed in Canada to-day, although the Minister of Labour evidently does not know anything about it—where you have that vast number without work and their dependents starving, you have a situation that affects not only the individuals immediately concerned but the whole of society.

Now I come to the argument of the right hon. the Prime Minister. It is this, that unemployment should be a question first for the individual; secondly, for the family; then for the municipality; then for the province; and then, I suppose, as a natural consequence, because he could not escape responsibility any further, it becomes a matter for the Dominion government. Speaking on the address in this house the Prime Minister said that unemployment was first a question for the individual, and then for the family. I do not think that I ever listened to a more absurd statement falling from the lips of any public man. What did he mean when he said that? There is only one conclusion, and that is that he meant that unemployment was a question to be solved by the individual who is unemployed. In other words, he propounds to the unemployed people of Canada this choice morsel of sophistry, that unemployment should be the problem of the unemployed and should be paid for by them. If there was any sense at all in his remarks, that is the only sense that I could extract from them.

Mr. MACKENZIE KING: Where does my hon. friend find my statement in that regard?

Mr. MACDOUGALL: At page 38 of Hansard, in the Prime Minister's speech on the address. My right hon. friend does not get me on that kind of thing; I come armed with the reference. Just look it up. I wish to

say to the right hon. gentleman that I entirely disagree with him when he says that the first body that is responsible in this matter is the municipality, and then the province.

Let us see why it was that men formed themselves into societies. We have, first, the society which we call the home, where members are drawn together by propinquity and ties of blood. Later they join together in municipalities, and then in provinces, and then, in the case of this country, the provinces joined together in one dominion. Why did they do that? They did it for the purpose of securing for the individual citizen greater security and protection. There is no question about that; it is the only reason for the formation of the Canadian confederation. That is the only reason why the provinces joined together in order to form this great dominion. They did it because they wanted to be sure that in times of stress and need, when the individual was in difficult straits, they would have a powerful social organization behind them to help them out.

But there is another consideration. I wish to point out to this house that when this dominion was formed, the various provincial governments gave up to this central power, this power which is supposed above all others to protect them, the majority of their sources of taxation. The provinces retain only the sources of direct taxation, and even those sources, I submit, have been invaded by the present government and by previous federal governments. I mention the income tax as an illustration. We must in discussing these problems extract some canon of social justice. What is the canon that must be extracted here? The canon in the application of matters of this kind is that the strongest back shall bear the heaviest burden. Whose back is the strongest as between the federal provincial and municipal bodies? In 1867, when this dominion was formed, Ontario—I might take any other province—was receiving a revenue from duties amounting to only $2,000,000. In 1929, the government over which the right hon. Prime Minister presides took from the people of the province of Ontario in duties, $103,000,000. And so with the other provinces. The federal government has invaded the provincial sources of revenue. The federal government is capable of dealing with situations such as unemployment throughout the country, and from the very organization of society it is absolutely logical and absolutely just that the federal government should deal with a situation such as unemployment.

We have had a lot of loose talk in this house about the British North America Act and about the powers of the provincial and federal governments. I want to ask this question of the Prime Minister. Perhaps he may not answer me at all; I do not suppose he will. Is there anything in the British North America Act to prevent this government giving assistance to the provinces to help relieve unemployment?

Mr. MACKENZIE KING: Nothing that I know of.

Mr. MACDOUGALL: Then why don't you do it?

Mr. MACKENZIE KING: Because we have other uses for our money, other obligations.

Mr. MACDOUGALL: There is, then, nothing in the British North America Act to prevent this government from giving assistance to relieve unemployment in this country. There is nothing in the British North America Act to prevent the provinces from receiving that assistance. We are faced with the problem of unemployment. It is here. We have people starving in this country. What are we going to give them? Are we going to give them what the Prime Minister tried to give them this afternoon? I do not wish to detract at all from the literary and economic efforts of my right hon. friend. I may say that before I ever came to this parliament I had read thrice the book from which he quoted this afternoon. To my mind it was excellent. It did credit to the right hon. gentleman who occupies the exalted position of Prime Minister. In some respects it has distinct literary merits. But though it is a good book to read, extracts from it are very poor feeding for the unemployed people of Canada. In the Scriptures we read of people who were crying for bread and were offered a stone. Well, the right hon. Prime Minister is not quite that bad. But what do the unemployed get from the Prime Minister when they send a delegation here composed of representatives from all over the country? And, Mr. Speaker, that to my mind is the most humiliating spectacle the people of Canada have ever had to witness—men in this great, young, rich country to have to come here to beg for bread! What did they get from the right hon. Prime Minister? They got ringing, jingling, platitudinous sentences from Industry and Humanity, and they are supposed to go back satisfied with that treatment. He had to admit to-night that there is nothing in the constitution to prevent him

giving aid to the people whose wives and little children are starving—absolutely nothing: yes, he admitted it publicly.

Now, I say to the right hon. Prime Minister in days that have gone he had occasion to go up and down this country on a political mission, and I remember some of the phrases —he is a coiner of striking phrases—I remember some of the phrases he used in connection with a certain matter, and particularly one that he repeated in almost every address he delivered in every province. He said: "The letter killeth but the spirit giveth life." To-day when the unemployed come to him for relief, he reads extract after extract, couched in beautifully-worded platitudinous language, from Industry and Humanity and in effect says to them: Take that; it should be sufficient for you. I repeat to him to-night: The letter killeth but the spirit giveth life. There is no man in this country to-day, sir, that can truthfully say there is any constitutional reason why assistance should not be given to the 14,000 unemployed people in the city of Winnipeg, why it should not be given to the men who have to depend on soup kitchens in Toronto and Montreal, —

Mr. CANNON: There are no soup kitchens in Montreal.

Mr. MACDOUGALL: There are hundreds.

Mr. CANNON: No, no.

Some hon. MEMBERS: Order.

Mr. MACDOUGALL: I will permit a question.

Mr. CANNON: There is no such thing in Quebec.

Mr. MACDOUGALL: At the present time in the city of Montreal there are 1,800 male adults being fed at soup kitchens.

Mr. CANNON: No; you do not know what you are talking about.

Mr. LACOMBE: Were you in Montreal last week?

Mr. MACDOUGALL: I did not have to be in Montreal last week to know that.

Mr. CANNON: You had better go and see.

Mr. BELL (St. Antoine): I was there yesterday. There are 1,800 people a day fed at soup kitchens.

Mr. CANNON: No.

Mr. MACDOUGALL: It is lamentable, Mr. Speaker, that people do not know the economic conditions even in their own province.

Mr. LACOMBE: Do you know Sir Hugh Allan?

Mr. MACDOUGALL: Are you asking a question or making a speech?

Mr. LACOMBE: Do you know Sir Hugh Allan?

An hon. MEMBER: He is a dead one.

Mr. MACDOUGALL: I want to get this clearly before the house—

Mr. LACOMBE: We want some figures concerning—

Some hon. MEMBERS: Sit down.

Mr. LACOMBE: Mr. Speaker, we want some figures concerning Montreal.

Some hon. MEMBERS: Sit down.

Mr. DEPUTY SPEAKER: Order.

Mr. LACOMBE: Mr. Speaker, we want some figures concerning Montreal.

Some hon. MEMBERS: Order.

Mr. DEPUTY SPEAKER: Order.

Mr. MACDOUGALL: There are two points I want to get before the house. The first is, there is nothing in the constitution that prevents the right hon. Prime Minister and his government from giving assistance to men who are unemployed in this country. No amount of sophistry, no amount of reading of platitudinous extracts from Industry and Humanity can disguise the fact. This afternoon the Prime Minister made a statement, and although I have a great admiration for him, honestly I think it was unworthy the position he occupies at the moment. He stated that he would not contribute to assist unemployment in the provinces where the governments are not Liberal. But, Mr. Speaker, this question is one that transcends party politics. My right hon. friend after reading those very beautiful extracts from Industry and Humanity, with all the idealism which he had conjured up during his residence in the United States, fell down to-day.

Mr. MACKENZIE KING: Will my hon. friend tell me when I ever resided in the United States?

An hon. MEMBER: During the war.

Mr. MACKENZIE KING: I tell my hon. friend he is entirely wrong. I have never had a residence anywhere except in Canada at any time.

An hon. MEMBER: You lived there. They could not conscript you in Canada.

Some hon. MEMBERS: Shut up.

Mr. MACDOUGALL: I do not know what my right hon. friend means by the interruption. He may not have had a home in the United States, but at least he was there on a certain occasion. In this book which is so beautifully phrased, Industry and Humanity, and in which he expresses such high ideals, he tells us what he was prepared to do for labour in this country, and having quoted extract after extract, five minutes afterwards he says in effect—and I think it was the most disgraceful statement I ever listened to in this house—

Some hon. MEMBERS: Order.

Mr. MACDOUGALL: All right, I will change the adjective and say the most humiliating spectacle I ever saw, and the most humiliating pronouncement that I ever heard in this house—he said in effect: that although women and children were starving in this country he would not contribute out of the abundant revenues of this Dominion five cents to keep them alive, if the government of the province in which they were starving happened to be politically different from the right hon. gentleman. I think he had better write an appendix to Industry and Humanity after making that statement.

Well now, with all this cant, with all this drivel about constitutional objections, I want to say to my right hon. friend to-night, first of all, there is nothing in the constitution that will prevent him from helping the unemployed, to save them from starving; and certainly there is nothing in the constitution to prevent the provinces from receiving grants from this government for that purpose. But I want to add, he has a responsibility in this connection, for the simple reason that the unemployment existing in the Dominion to-day, and it is very general, exists because of the failure of the government over which he presides. Nationally considered, there are four factors in the matter of national productivity; they are, first, land—I use the term in its economic sense to include not only the surface of the earth, but all the resources with which we have been endowed by Providence; second, labour; third, capital, in the sense of capital goods; fourth, the managerial ability which must come from the government that controls the destiny of the state.

Now, let us see if in respect to any or all of these factors they have fallen down. Can anyone say we have unemployment because our natural resources are not sufficient to provide a good living for our sparse population?

Some hon. MEMBERS: No.

Mr. MACDOUGALL: Hon. gentlemen say "no". I am glad to hear that. Undoubtedly to-day we have illimitable opportunities for the production of wealth, we have potential wealth of farm, forest, sea and mine. We should be able to provide a good living in this country not only for ten million people but for one hundred million people, and we could do so if we had a proper government. Consequently I say to this house to-night that the first factor to be considered in the matter of national competition has not fallen down. We cannot blame Providence for stinting in the matter of bestowing natural resources upon this great young country.

Let us take the second factor, that of labour. Does any man in this house, whether he be Grit, Tory or Progressive, mean to tell me that the men who stand idle to-day, the men to whom the Prime Minister directed his platitudes in his sentences from Industry and Humanity this afternoon, do so because it is a pleasure to them to be idle? Do they desire to see their wives and little children starving? On behalf of the labourers of this country I want to say that all they want is the opportunity to work at fair wages. Consequently, the second factor in national productive enterprise has not fallen down.

Thirdly, we come to the factor of capital. With our great natural resources there should be no difficulty whatever, were it not for the unwise fiscal policy of this government, to get all the capital we want in order to develop the abundant natural resources with which we have been endowed by a bountiful Providence. There is no reason why we should not have all the capital we want.

If the first three factors have not fallen down, what has fallen down? I will tell you. The thing that has fallen down is the directive force which those factors must and should receive from the right hon. Prime Minister and those hon. members who are associated with him. There can be no doubt about that. How can we expect to have anything but unemployment in this country when we have promulgated and supported by this govern-

ment policy which is not Canadian but one under which raw materials of Canada are shipped, formed and fashioned in American mills and factories, by American workmen? What can we expect in Canada, other than unemployment, when the only solicitude that this government is capable of providing is to fill the factories with American workmen? I am not speaking too strongly on this subject.

Some hon. MEMBERS: Oh, no.

Mr. MACDOUGALL: No, I am not speaking too strongly; I am speaking very fairly, and if any evidence is needed to prove that statement it can be readily found in the trade returns between this country and the United States of America. During the last year we brought in from the United States over $900,000,000 worth of goods. We had an unfavourable trade balance with our great southern neighbour of $347,000,000. Seventy-five per cent of those goods could have been produced in Canada by Canadian workmen, and if they had been produced here we could have given employment to 500,000 Canadian people. We have in this country to-day about 100,000 unemployed. Not only is it necessary that we should have a wise fiscal policy, but if the right hon. gentleman who tells us he never resided in the United States would think a little more in terms of Canada than in terms of the American republic, we would have our people working. It would affect not only the 100,000 people who are now fed in the soup kitchens of this country, to the great disgrace not of Canada but of the Canadian government, but it would affect also 400,000 other Canadians who are endeavouring to find employment in this country.

The other day my hon. friend from Pictou (Mr. Cantley) stated that there is coming into this country each day $1,000,000 worth of steel and steel products. Eighty per cent of those products could be manufactured in Canadian steel mills; why are they not manufactured here? The reason is that we have a government in Canada that is legislating not so much in the interests of Canada as in the interests of the republic to the south. It is time for someone in Canada to speak up about this condition. When you speak about it, however, you are hushed by the Prime Minister. He will tell us that we must not provoke the United States, even to the extent of giving up the livelihood of Canadian men and women. I admire the great republic to the south, and I seek no ground to disagree with them. I say, however, that when young men in public life in this country—

Some hon. MEMBERS: Time.

Mr. MACDOUGALL: I am sorry, Mr. Speaker; I had almost completed my remarks.

Mr. DEPUTY SPEAKER: The hon. gentleman's time is up.

Mr. WILLIAM IRVINE (Wetaskiwin): I wish to read once again the amendment which is before the house. Although it has been read by several hon. members, I wish to make special reference to the inference drawn by the Prime Minister (Mr. Mackenzie King), namely, that the amendment necessarily involves a large expenditure of money. It is quite clear that the terms of the motion do not justify that inference. With that in mind I shall read it once more. It was moved by the hon. member for North Winnipeg (Mr. Heaps) and seconded by the hon. member for Bow River (Mr. Garland):

> That in the opinion of this house the government should take immediate action to deal with the question of unemployment.

There may be many ways of "dealing" with unemployment without expending public money. That is for the government to discover.

I have been amazed at the amount of heat which has developed in this discussion, and with few exceptions I have been amazed equally by the lack of light. I was surprised that the saintly, peace-loving Minister of Labour (Mr. Heenan) should have injected a note of antagonism in his reply to the argument of the hon. member for North Winnipeg. Certainly he did not hold true to his title of peacemaker when he opened this debate by baiting the hon. member for Fort William (Mr. Manion) and by placing the whole discussion on a low, narrow partisan basis. I am interested in this question of unemployment because it is the most outstanding indication of the disintegration which is taking place in modern civilization. I am interested in it, moreover, from the point of view of a student; above all I am interested in it because of its human implications. Because of my interest in the matter from these points of view I deplore the attitude taken by hon. members in this discussion. Unquestionably there has been an effort on the part of some hon. gentlemen to extract political advantage from the tragic condition we have been trying to discuss. I should think the hon. members who have tried to do that have indicated that they are more skilled in political strategy than they are in economics. If hon. members of this house were to get their deserts for their failure to cope with the vital problem now before us I fear, Mr. Speaker, that very few of us would come back after the next election.

Mr. HANSON: "Speak for yourself, John."

Mr. IRVINE: Yes, I am speaking for myself also in this regard, for I must acknowledge, with other men who have been entrusted with public office, that the question of unemployment has represented so far the bankruptcy of statesmanship throughout the civilized world. If you will permit me to call myself a statesman of the bankruptcy type, I must line myself up with all the others and say: "We have failed to find a solution for the problem."

Catch phrases suitable for winning elections never have been noted for their achievements in settling matters of great economic importance. Our consumers' league across the way, with their fine phrases about free trade, find that the problem has escaped them; hon. gentlemen to my right, with their phrases about higher protection, are not touching the problem either. Even a greater party, in my opinion, than either of the two parties in this house, the Labour party of Great Britain, seems to have gone to seed also on the catchword of public ownership, thinking that would be a solution. Unfortunately, up to this point even that great government has not found much of a solution for unemployment.

I want to support the resolution, Mr. Speaker, because it deals with a question that confronts not only Canada but the entire civilized world to-day, a question which is ominous and one for which a solution must be found or civilization itself will succumb. Then I want to support also the suggestion of the hon. member who moved the resolution that, as a tentative thing, giving assistance to those who are suffering at the present time from the evils of unemployment, a system of unemployment insurance should be introduced. I agree that that is a tentative thing; it is temporary, something to be carried on until we have found a solution for the problem. While there is no better solution I agree that this should be done. In the absence of that better way, to which I have referred, I should say that unemployment insurance is an imperative need in Canada to-day, as it is in other countries.

Surely unemployment will be taken as a fact without any wealth of figures to demonstrate it. To argue in this house that there is such a thing as unemployment and to back up that argument with copious figures, seems to me analogous to an attempt to prove that the world is round, quoting once again the old arguments which support that view. I think unemployment is a fact as well established in the minds of the people of the country to-day as is the physical fact of the shape of the planet on which we live. It is a fact which bears with it some problems which are grim, ugly and ominous. Indeed, unemployment is no longer confined merely to the wage earners. Of course we always have had an unemployed rich class; they are still with us, only they are a little more fortunate than the other unemployed. They can live on interest, but the unemployed at the other end of the social order cannot live on nothing.

There are intellectual workers in the ranks of the unemployed. Our public school system with its easier access to institutions of secondary education is overstocking the market in the professional world. Lawyers, doctors and teachers, while they may not be actually lined up in the ranks of the unemployed, are finding it more and more difficult to get employment at fair remuneration in the work to which they have devoted their lives and their study. We also have industries unemployed, with millions of dollars' worth of machinery tied up, rusting, and doing nothing. There you have unemployment of a kind which will appeal to hon. members of this house.

As I say, unemployment is not confined to one class; it is becoming more and more not only an acute problem but one that is widespread. It is the most prominent symptom of a civilization which is in the process of disintegration. How far that disintegration will go, no one knows; whether intelligence will arrest this disintegration and gather together the decaying pieces remains yet to be seen. I think it was H. G. Wells who remarked in this connection that civilization was in a great race between intelligence and disaster. Judging from the remarks of my hon. friend the Minister of Labour I would be inclined to bet on disaster winning the race; if we are to depend upon the labour leader of this country; if his utterances may be taken as indicative of his views and his activity in this matter; if we are to take that as the leadership of Canada on a question of this kind, and if it requires intelligence to divert disaster, then disaster is absolutely certain. This is a condition which, more than anything else, attracts the attention of the student and creates deep apprehension on the part of all who wish to save modern civilization.

As my hon. friend from Bow River (Mr. Garland) very ably pointed out, this situation is universal; it is not merely Canada which we are discussing when we talk about unemployment. Just for a moment I should like to refer very briefly to some figures. The London Daily Herald, which may be regarded as the mouthpiece of organized labour in Great Britain, estimates that to-day there are 30,000,000 unemployed in the civilized world,

and that the crisis extends over the entire globe. There are about 6,000,000 unemployed in the United States; about 4,583,000 idle workers in Germany; approximately 1,000,000 unemployed in Japan, and several millions in Russia. So it goes on. As I say, it is a universal situation, and I do not see any reason why the Prime Minister should have become so angered and displeased to-day because in Canada we are facing a problem which every government in civilization must face and is facing with at least some degree of sincerity and intelligence.

I would go so far as to say that unemployment is inevitable under an economic system which depends upon machine production, profit and distribution through the wage system. Perhaps enough has been said to demonstrate the effects of modern machinery on this question of unemployment, but I will just add one or two little quotations to the point. I should like to read one short extract from an article which appeared in a recent issue of the New Republic:

As a result of labour's growing productivity, American manufacturers were able to get along with over 400,000 fewer men in 1927 than in 1923, and to reduce their wage bill by nearly $160,000,000. In the meantime, the value of factory output increased by over two billions. The consequence was that the wage bill dropped from 18.2 per cent to 17.3 per cent of the gross value of factory product.

One more quotation:

Still more important is the record of profits. Between 1923 and 1925, the profits of a group of 403 manufacturers and mining corporations increased 29 per cent. Between 1925 and 1928, the profits of a larger group (574 in all) increased 27 per cent, to a new high record. This makes a gain of nearly 64 per cent between 1923 and 1928. The National City bank reports that the earnings of 375 industrial corporations during the first quarter of 1929 were 37 per cent above the corresponding period in 1928. "Many concerns," says the bank in its July review of business, "have in six months made more profits than in the year 1928."

Surely this statement, which is not an isolated one, could be taken as evidence of the effect of machine production on unemployment.

One honourable statesman across the aisle has suggested that the unemployed should go back to the farms. It must be apparent to anyone who is studying this situation that industrialization of agriculture will have the same effect as has the industrialization of other branches of industry. Farmers by the use of machinery are enabled to produce more with half the labour necessary twenty years ago. I quote from Saturday Night, which should be authoritative to hon. gentlemen opposite, as follows:

During the past 20 years the farm population (of the United States) has decreased nearly 5,500,000. Figures of the bureau of agricultural economics show that the farm population of the United States in 1909 was 32,000,000. In 1929 this had decreased to 27,511,000. About 1,960,000 persons left the farms last year, 1,978,000 in 1927 and 2,155,000 in 1926.

Those who expect to settle the unemployment situation by settling people on the farm will have to face the fact of possible unemployed agriculturists. In fact, these men from the farms are flocking to the cities of Canada in hundreds and thousands, and are aggravating the problem which is already acute.

One of the factors to be considered as a cause of unemployment is the supplanting of men by machinery, the effects of which will be increased as time goes on. Another factor in our economic system which inevitably causes unemployment is known as the profit system. I am not speaking against that system, although I would do so readily if that were pertinent to the discussion.

My intention is to find out the effect of the profit system upon unemployment. Some other time I may extend my argument, but at present I desire only to show that the system under which we are operating, the profit system, makes unemployment inevitable. Why? Because the price of all manufactured goods includes not only all the overhead expense involved in manufacturing, but, as well, a little more than the amount expended, otherwise there can be no profit. Will any hon. gentleman in this house tell me where that "little more" is to come from? Will any hon. gentleman say that there is available as purchasing power among the masses of the people any other money than that which has been distributed in the processes of production? Since in order to realize a profit a manufactured article must be sold for more money than was expended in its production, the result must be that less goods are sold than were actually produced. That is to say, there must inevitably remain a surplus of goods at the end of every producing year. Those goods are placed upon the shelves in our warehouses; next year additional goods are added, and by manufacturers, who of course cannot afford to manufacture goods for pleasure, are forced to discharge their man and again by that act the purchasing power of the country is further reduced. This state of affairs progresses until we reach the very bottom of what we call the period of depression.

The first factor in our system which tends to create unemployment is the supplanting of

human power by mechanical power. The second is the profit system, whereby goods manufactured must be sold for a price greater than the amount of money distributed in their manufacture. Therefore, the total goods manufactured cannot be purchased, which leaves a surplus, and that surplus continually piling up ultimately means unemployment.

Let us look at the third factor, distribution through the wage system. No matter how much we are able to produce, we can distribute only to the extent of the purchasing power of the masses of the people. This is a very interesting study, but I do not think I would be thanked by hon. members of the house if I were to consume the remainder of my forty minutes in a discussion of this factor. For the benefit of those hon. gentlemen who may not have thought it worth while to study a question of this kind, I think I should indicate certain works which they could look up for themselves. I would recommend to those hon. gentlemen that they should read what Keynes has to say, and what the Hon. Reginald McKenna has to say. They should read the works of Major Douglas, and those of Maurice Colborne, who gave a performance last week in the city. They should read Arthur Kitson, and Warren Edwin Brokaw. They should read Wells, Shaw, Vowles, Cousins, Wakinshaw and Professor Soddy. Those gentlemen are well able to set forth the principles of what we call the new economics to the full satisfaction of hon. gentlemen who perhaps would not thank me for spending my time in outlining to them those principles.

But perhaps I should expound the point I am dealing with, namely the distribution through the wage system. In the price of an article there is included items which we might designate as A, B, C and D, that is, wages, profits, overhead, replacement of plant, price of raw material, and so forth. Those items of cost must be included in the selling price of an article; therefore, although we may say that the price represents A, B, C and D, the only thing we have with which to buy it is A, and A cannot possibly purchase A plus B, plus C, plus D. There you have the algebra, if you like of this problem.

I would suggest that before a solution can be found for this problem, there must be developed a new aim for industry itself We have to come to the conclusion that merely to find work will not longer be regarded as an intelligent basis of subsistance. It is surely positively ridiculous for us to say that the man who does not work cannot live, when there is not any work for the man to do. Why not hang him at once and be done with it? Why let him have three weeks of misery and hell of mind and body on account of his family when we could get rid of him in an electric chair? Why not be sensible about the matter if that is the only cure hon. gentlemen have for unemployment? If hon. gentlemen are Christian, the electric chair is more Christian than unemployment; it would certainly be much more humane to do that than to do nothing.

Mr. YOUNG (Weyburn): Does a doctor kill the man that he cannot cure?

Mr. IRVINE: I wish we had some doctor for my hon. friend. I am quite certain he could not cure him and I would not say a word if he did the other thing. In regard to the curse which fell upon mankind, the curse of work, according to the Book which my hon. friend over there follows, the situation has been reversed and now everybody wants to be cursed. everybody wants work. To-day the man who is really cursed is the man who cannot get work. If I had time I should like to tell hon. members I do not want work and I do not want anybody else to work, but until we find a better way of distributing what machinery can produce, I suppose we shall have to stay with the outworn system. If, however, we are going to stay with it we must organize our industrial pursuits and regulate hours of labour so that every man will have an equal opportunity. We must also stabilize wages on a living basis and not pay men for two hours instead of eight hours when there is not eight hours' work for everybody. That is such an elementary proposition, one would expect even a consumers' league to understand it, and yet they do not. It is surely uneconomic to produce goods which are not consumed. Such a condition is of course the defeat of economics, and yet that is what we are doing in Canada and in every other country, namely, producing goods which cannot be consumed because we have not discovered how to get them to the consumers.

I think it is true that the greater the surplus of production, the greater will be the unemployment. In that respect I believe the Prime Minister will have to accept responsibility for unemployment, for he has proved, or tried to prove to us, that last year was the greatest year in production that Canada had ever seen: it was unprecedented. I forget all the adjectives which the Prime Minister called to his assistance to express this tremendous output which characterized the industrial life of Canada last year. If he would just study the problem he would find

that this is the very reason why unemployment is greater than it ever was before, because production being so great and there being no market for it, the men are thrown out of employment. The shelves are all filled up with goods, but there is nobody to buy them and nothing to buy them with. So the Prime Minister is probably right when he says that last year we produced more than we did in any previous year and so we have more unemployment now than we had at any other time.

The government is surely not going to try to escape entirely from its responsibility in these matters. To begin with, the government is certainly responsible for the administration of finance. It is responsible, as one hon. gentleman in debate to-night pointed out, for the management of our railway system. It is responsible for the expenditure of money, hundreds of millions of dollars of public money on all kinds of undertakings. It is, or at least it has been up to the present time, responsible for the immigration policy of this country. All these things have a direct bearing upon unemployment, and surely the government is not going to sit here and authorize the bringing in of thousands of immigrants to swell the already over-swollen volume of unemployment, to administer finance without regard to its economic significance, and to get away from the direct responsibility which any self-respecting government ought to be anxious to assume. Refusal by word of mouth to accept responsibility will not be sufficient to enable my hon. friends to escape from it, because responsibility has a way of sticking closer than a brother. The government, as I say, is trying to deny its share of the responsibility. We ought to follow for a moment the idea about greater production and its corollary of unemployment. I notice that the hon. member for North Battleford (Mr. McIntosh) and the Prime Minister were both deeply concerned about the farmer in this proposition; indeed, they were solicitous for him. The Prime Minister went even so far as to ask: When did a deputation of agriculturists come to the government and ask for assistance to the unemployed? Since when, for instance, has the Prime Minister been interested in deputations of agriculturists? Did they ever come to him and ask him to increase tariffs against them? I do not think they did, but he did not hesitate to increase them, and he did not hesitate to fail to reduce them. So I am rather surprised that he, having disregarded the farmers before, should now take such an interest in them.

But let me point out that this question of purchasing power which underlies unemployment is the real problem of agriculture as well as of labour. Do hon. members realize that while we had a comparatively small crop last year, nevertheless we could not sell it to advantage nor have we been able to do so as yet, and while we were in the position that we could not get rid of our wheat, millions of people in China were actually starving, unable to get our wheat? There you have internationally the same problem that we have nationally in respect to unemployment. It is a question of money. Moreover we shall have to get the idea that industry is a human proposition. That is, every industry shall be measured, not by its output, not by the size of the payroll, but in terms of the human element which it has turned out. Has our producing system actually produced greater, nobler, wiser and happier men and women? That is the measuring standard I would expect the Prime Minister who wrote Industry and Humanity to use, when considering the problem which we are now discussing. We must have a new function for finance also. It would be interesting, if I had time, to deal with who creates the money, especially when we realize how important the creation of money is to the distribution of goods.

Mr. GEARY: Tell us privately.

Mr. IRVINE: I will tell my hon. friend publicly. He will agree with me that there is much more money in circulation in Canada to-day than there was fifty years ago. Where did it come from? Who is the manufacturer of money? Do hon. gentlemen think it snows money? If any hon. gentleman or any gentleman anywhere is entrusted with making money, how do we know he has made enough or too much of it? In any case, who has charge of the matter? Let me give a quotation from Major C. H. Douglas who, in an address on "Where money comes from" before the International Engineering Congress at Tokyo, said:

> It is astonishing, when we consider the importance to every one of us of money in our daily life, that most people have no conception of where money comes from beyond a hazy idea that a certain amount of it is dug out of the ground in the form of gold, silver and copper, and the rest of it is printed and issued through a government department. But as a matter of fact money in this form only bears a very trivial relation to the amount of available purchasing power, insufficient as the latter has been stated to be. The total amount of money in circulation, in the form of gold, silver, copper and paper coinage is, in Great Britain, only

about .7 of one per cent of the total amount of bank clearings, or less than 10 per cent of bank deposits, available to be drawn or for purchasing purposes. Money is created by banks in the form of bank credits.

Perhaps we would go a long way towards solving the unemployment problem if we studied the question; who issues the purchasing power which is available to the people of Canada with which to buy goods? There are numerous other quotations that I should like to give, but my time is flying.

There is another statement that I wish to make, and that is that credit control is a very important factor in the prevention of unemployment, or at least in the problem that lies behind unemployment.

Someone has mentioned France in this debate. I would mention France first, of course, for the reason that it has no unemployment. But there are two reasons at least why France has no unemployment. First of all, France has had a stationary population for a great many years. The second reason is that France did not deflate and go back to the gold basis after the war. Hon. gentlemen here who were so anxious to rush back to the gold basis, not knowing what they were doing, are now reaping some of the fruits of their stupidity. Some hon. gentleman says that we are not on a gold basis now. That does not worry me. We ought to be forced back to it so that hon. gentlemen would realize fully the result of such a policy. France did not do that, and to-day, according to this morning's Ottawa Citizen, the French franc is worth 4 cents where it used to be worth 20 cents in international exchange, and the Belgian franc is worth still less. But the French and Belgian people have been kept employed. Purchasing power has been maintained at least sufficiently to keep the wheels of industry running steadily. So hon. gentlemen who quote France as having no unemployment had better examine all the factors before rushing to conclusions that such is due to her tariff policy.

Poverty, which results from unemployment, is preventable. Unemployment is the secondary cause of poverty. Poverty itself is preventable. We have the equipment, we have the resources, we have the intelligence, and we have the skill. There used to be a time when it was said that tuberculosis was not preventable, but the doctors got busy and now it is preventable. To-day it is said that cancer is incurable, but the doctors are now working on that. They do not deny their responsibility. Some day they will be successful in finding a cure. Unemployment, I say, is the chief secondary cause of poverty. Our government denies its responsibility and refuses even to work on the proposition. I want to ask that the government reconsider the position that has been taken by the Prime Minister, and give relief in this unemployment situation, if it is necessary. I do not know whether it is necessary now or not, but we ought to find out. Let the government give a lead and go as far as it can constitutionally to organize a system of unemployment insurance. If after that the provinces do not follow in the manner presented by the constitution we will know where the blame is to be placed. Let a permanent commission be appointed to study this problem until a solution is found.

I want to say something about the Prime Minister's speech. He was very definite about what he cannot do and what he will not do, but very hazy about what we think he ought to do. I think he is obligated to making a an attempt to solve the problem, and we are not going to be satisfied with his old constitutional argument. He says that he does not want to take the taxpayers' money to be expended perhaps in some isolated community in the west or in the east as the case might be. Let me read the admirable words of the right hon. gentleman when he was speaking in this house in 1926, when the old age pension legislation went through. Someone took the objection that such legislation was ultra vires of this parliament, and the Prime Minister said:

> In that regard may I say that as between the different provinces I fail to see where there is any distinction to be drawn between the money voted by this parliament, say for the purposes of immigration, which may go to place a man or woman in any one of the provinces, and money voted for preserving the individual, no matter in what part of the Dominion he may be found. Human beings are the greatest of the resources of the country. What we are here considering is human life. An individual, no matter which province he is in, is an asset to the Dominion as a whole, and it is from that point of view that the Dominion is, I think, considering this matter.

If an old gentleman of seventy years of age is an asset to Canada, surely a young man of seventeen or twenty or twenty-seven is an even greater asset; and the very same logic which the Prime Minister applies to old age pensions must be applied to the suggestion put forward by my hon. friend from North Winnipeg. The Prime Minister says that he has had no requests from the provinces for assistance. For obvious reasons. In the first place, they know that it would be useless. In the second place, the provincial premiers do not wish to put themselves into the position of advising the Prime Minister as to his duty and responsibility in regard to this matter,

so naturally they may have been a little reticent in this regard.

I am sorry that the Prime Minister felt called upon to state that he would not give five cents of the money from the public treasury of this Dominion to a Tory provincial government anywhere. I will not say much about that because I feel sure that the Prime Minister was not quite himself when he said it. I mean to say that he is usually so courteous and generous in debate, but to-day he was angry and said things that I feel sure he himself will be sorry for. I do not think that that is the practice of the Prime Minister. I think he is bigger than that.

The Prime Minister went on to place the blame on the Trades and Labour Congress of Canada for his having failed to call an economic conference. If that is true the congress will have to answer to organized labour.

I shall conclude my references to the Prime Minister's speech by recalling his remarks in connection with the argument of my hon. friend from Bow River. The Prime Minister indicated in his closing remarks that the attitude of the hon. member for Bow River was that everything that could be known about this subject was known already, and therefore there was no need to appoint any commission to investigate. I think that the shafts of the right hon. gentleman's sarcarsm went very wide the mark. If he will examine the speech of the hon. member for Bow River, he will find that the hon. member was merely asking for an economic commission to find a solution for the problem. That is where I think the Prime Minister missed the point.

Mr. FINLAY MacDONALD (Cape Breton South): The subject brought up by the amendment of the hon. member for North Winnipeg (Mr. Heaps) is one in which I am deeply interested. I have the honour to represent a county that is entirely industrial, being comprised largely of coal miners and steel workers. We have no leisured class in my county, and every man and woman in it is intensely interested in the question of unemployment. The amendment itself asks the house to declare that the government should take immediate action to deal with the question of unemployment. It is probably in its terms a little narrow, but in the course of the discussion that has taken place this afternoon a very wide range of subjects has been covered. Possibly the amendment is so worded as to admit discussion not only on the question of unemployment but also on the causes and the cure, if a cure can be found. The discussion, as I have said, has taken a wide range. For the most part it has consisted of theories; we have heard various theories discussed by hon. members, ranging over distribution, consumption, finance, industry, capital—anything having the nearest or remotest relation to unemployment has been discussed. But, as was pointed out by the hon. member for South Wellington (Mr. Guthrie), in his quotation of a remark by Grover Cleveland, it is a condition and not a theory that confronts us. An ordinary person, if he were asked what is the cure for unemployment, would naturally say "work." It is far better to give a man work than to give him insurance against unemployment. And it is to that feature of the question that I intend to address most of my remarks.

We on this side of the house contend, rightly or wrongly, that the fiscal policy of the government is largely responsible for the unemployment in this country at the present time, and I propose to submit some facts in support of my contention. I listened to the Minister of Labour (Mr. Heenan) yesterday, and I may tell him frankly that I sympathize with him. I understand how difficult is his position. I know he felt that he had not been successful in getting his colleagues in the cabinet to see eye to eye with him in labour matters. I fully appreciate the difficulty he had in trying to defend the action of the government in regard to labour conditions. Not only do I sympathize with him, I appreciate the importance of his position, as I know he does. He speaks articulately for labour in this country, and in my opinion there is no portfolio more important, more fraught with good or evil towards a great body of our people than the portfolio he holds. I listened to his speech and I congratulate him on one aspect of it—it was probably as good a defence of his position and the position of the government as could be made; and although the Prime Minister (Mr. Mackenzie King) to-day employed the same arguments that the Minister of Labour used yesterday, in my opinion he made no better defence.

I understood the Minister of Labour to rest his defence on three grounds. First—and in this possibly the Prime Minister went further than did the Minister of Labour; he said there was really no unemployment problem in this country at the present time. The Minister of Labour did not go that far; as a matter of fact he said he was not stating that there was no question of unemployment confronting us; he admitted there was. As I say, the Prime Minister went a little further. On the strength of not having received any word

from the premiers of the various provinces, he boldly stated that unemployment did not prevail to any serious extent. In short, the Prime Minister made an election speech; but, I repeat, I do not think he made as good a defence of his government as did the Minister of Labour.

The second ground taken by the Minister of Labour was that unemployment was just as bad in other countries. He may be right. But he spent most of his time in dealing with totally irrelevant matters—the construction of the trans-Canada highway and questions of local interest that have absolutely nothing to do with unemployment. The impression we all received from the speeches of the Minister of Labour and the Prime Minister is that the government is opposed to the idea of unemployment insurance. There is no question that the government is so opposed.

The third ground was that the Minister of Labour had ordered a great deal of work to be done, and had gone out of his way to ask the railways to provide employment. But unfortunately he did not go into particulars in that respect and show us how much work he had ordered and how much employment he had persuaded the railways to provide. I think the Minister of Labour made a mistake in trying to place responsibility on the Conservative party for something they had done in order to justify the stand he was taking. He quoted, in part, from an order in council for the purpose of showing that the Conservatives in days gone by had said that unemployment was a municipal question. But when he had to read the whole order in council, it threw a very different light on the question, and I think the minister would have been far better advised had he confined himself to a straight story of what he had done and what he proposed to do to meet the unemployment situation. Also, he was a little indefinite in defending the speech he made at London. That was a forward-looking speech for him to make. We all recognize that when a minister makes a public statement he binds his government, that is, if the government is guided by the usual constitutional principle of cabinet solidarity. We find now that the interpretation placed on his London speech was not justified by any action the government had taken or proposed to take. The Minister of Labour has put himself in a false position with regard to the labour of this country: he makes a stetement on a public platform as to what he intends to do and what the Prime Minister and the government will back him up in doing, and when he comes to the House of Commons and is questioned about it, the Prime Minister absolutely refuses to back him up, and takes a different ground altogether. With regard to unemployment, in my view there is only one cure, and that is work. Has this government been guilty of any act, either legislative or administrative, that has injured employment in Canada? After all, employment insurance is a good thing only under certain circumstances. We in Cape Breton would hold up both hands for it if we could get it. Every winter we are faced with this problem. During the summer months we ship our coal by water, but in the winter months, when water transportation is not available, the mines have to work on half or quarter time, and the men through no fault of their own have to be idle. They are willing and anxious to work, and would be quite content to enter into any scheme of contributory unemployment insurance.

The idea behind insurance is one of security. There are three things, of course, that the labouring man wants: first, fair wages; second, fair hours; third, security in his work. For the present we may dispense with consideration of the first two. It is the principle of security for the man disabled at work which underlies unemployment insurance. That principle was recommended to this government in the Mathers report away back in 1921. I am going to read from sections 35 and 36:

> 35. This is something which affects all wage earners, but more especially the casual labourer. He can never be sure just when his employment will terminate and he will be left without the means of subsistence.
>
> 36. Unemployment may arise from other causes than the loss of his job. He may be incapacitated by sickness, invalidity or old age. Very few labourers are able, out of their earnings, to make provision for these contingencies. We recommend to your government the question of making some provision by a system of state social insurance for those who through no fault of their own are unable to work, whether the inability arises from lack of opportunity, sickness, invalidity or old age. Such insurance would remove the spectre of fear which now haunts the wage earner and make him a more contented and better citizen.

In what way does the fiscal policy of this government affect the question of unemployment? Take, for instance, the item of coal. The coal mines are idle for perhaps five months of the year. We import in the vicinity of 13,000,000 tons of coal from the United States, and last year we sent them $54,000,000 of our money. We have ample coal in this country in the eastern and western sections to meet all domestic demands for that commodity. For three or four years those of us who come from coal-producing counties have

been urging upon the government the desirability of inaugurating a national fuel policy. Instead of that, however, we find imports of coal from other countries increasing every year, and this year we have the additional news that 250,000 tons of coal from Soviet Russia will be brought into Canada. That is a serious matter for us, because such an importation will displace a certain amount of our coal. Three years ago I submitted to this government in my remarks on the budget a proposition by which a national fuel policy could be evolved. Instead of that the government contented itself with bringing down the bonus to coking plants bill. There never was, I suppose, in the history of all the legislation brought into this house a bigger piece of fake legislation than that coke ovens bill. It pretended to offer a subsidy for the creation of coke ovens in Canada. Three years have gone by and needless to say not a dollar has been granted under the bill, because nobody has applied for it. Nobody ever will apply for it so long as the policy of this country is to allow coke into Canada free of duty, and to give a rebate on coal brought in for the purpose of producing coke. We can supply all the coal that is needed; all we want is a sensible suggestion as to how we can solve this problem, because it is not beyond the power of man to do it. Two or three days ago I got a letter from my home town stating that 500 men had been laid off the steel works there because there was no work for them. Yet every day one million dollars' worth of iron and steel products is brought into this country. This government, since it came into power, has lowered the duty on fifty-five different items in the iron and steel schedule.

Is there any connection between the fiscal policy of the present government and unemployment in Canada to-day? Theories may be all right, but the moment you subject them to the acid test of practical business principles they go to the wind. While the Utopian theories and ideas of world revolution are all very fine and may come to pass centuries hence, the question for us at the present time is to deal with the immediate problems that face us. My submission is that until there is a different outlook on the part of the government things will be very little better so far as unemployment is concerned. I think it was the hon. member for Bow River who said he did not think the result was so very different whether we had protection or free trade. I may be a bit of a free trader myself, up to a certain limit; I believe in free trade in boots and shoes, hats and caps, clothing, furniture and flour, but I am not a free trader with regard to coal and steel. When it comes to coal and steel I want a duty, but I cannot get that duty unless I give the other fellow protection on hats, caps, boots, shoes, clothing and furniture, and I am willing to do that because I am satisfied that it is the only way I can get what I consider to be necessary.

Let me say just a word or two in regard to the constitutional question. If ever a smoke screen was thrown around a subject, it has been the case with regard to the invoking of the British North America Act in connection with this matter, and the statement that primarily it is one for the provinces or the municipalities to deal with. I say it is nothing of the kind. In 1864, when the British North America Act was being framed, the statesmen of that day who builded better than they knew could not foresee everything that was likely to happen. They did hand over something to the provinces and the provinces in turn handed it over to the municipalities, where we now have what is known as the Poor Relief Act. Under that act, which I assume is practically the same in nearly all the English speaking provinces, a man who has a settlement in a particular district and who is in need of support is entitled to get it from that district. If he has no settlement there but has a settlement in some other part of the province of Nova Scotia, he can be moved there where he will receive his support. If he has his settlement outside the province then the province has to take the responsibility of sending him to that outside district where he belongs. Beyond that the Dominion government must step in and deport the man if necessary, so the so-called constitutional aspect of this question is not a factor at all.

The question of unemployment is one which affects all the people of Canada, and we cannot take it away from this government by handing it over to the municipalities. I think the Minister of Labour made that clear in his speech at London. He stated that his idea was that a system should be inaugurated which would be suitable to Canadian needs. He said:

> Take, for example, our Canadian railroad workers—in the summer time there are upwards of 200,000 men employed, and during the winter periods there are about 25,000 of those workers laid off for several months. The wages of all railwaymen average about $130 per month. If a fund were created, it would take about $5,000,000 to pay these employees half-pay for three months.

The Minister of Labour knows very well that no province could undertake anything of that sort; any such system must come from

this government. In the light of these facts and with the knowledge possessed by the minister, why should he try to throw the responsibility on the provinces?

Another question which is very pertinent is this: The Prime Minister himself said the provinces had not asked for such a scheme and that no demand had been made for it.

Mr. HEENAN: If my hon. friend would read a little further he would see where some of the finances would come from.

Mr. MacDONALD (Cape Breton South): Yes, I know that; this suggested solution of the problem might be all right, but it never can be carried out by one province with regard to a railway system which passes through seven or eight provinces. Not one of these provinces could bring such a scheme into operation, because of the fact that the railway crosses so many other provinces as well. The very illustration given by the minister shows how futile is his suggestion that it is a matter for the provinces.

The Prime Minister also says that the provinces never have asked for this scheme. The provinces did not ask for the old age pensions scheme; why was it forced upon them. That legislation was passed in this house without the provinces having been consulted; general legislation was passed and the provinces were invited to take part in it. The same thing could be done here; it might be worked out on the same basis as workmen's compensation. There is no difficulty and no obstacle in the way of putting this unemployment insurance in force if only you are honest about it. Unemployment insurance should be on an actuarial basis, as is the case with all other forms of insurance.

On motion of Mr. MacDonald (Cape Breton) the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: Probably it will be the wish of hon. members of the house to continue this debate to-morrow. In order that the matter may be regularized, with the consent of the house I would move:

That standing order No. 28 be suspended on Friday, April 4th instant, and that motion be then made that the Speaker leave the chair for the house to go into committee of supply.

Motion agreed to.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Friday, April, 4, 1930

The house met at three o'clock.

DEBATES COMMITTEE

Mr. E. J. YOUNG (Weyburn) presented the first report of the select standing committee on debates, as follows:

Friday, April 4, 1930.

The select standing committee appointed to supervise the official report of the debates of the House of Commons, beg leave to present the following as their first report:

Your committee have had under consideration the question of the status and remuneration of parliamentary reporters, and having heard the Clerk of the House and the Editor of Debates in support of the claim of the parliamentary reporters to recognition as professional or technical officers, which claim was endorsed by a minute of the Board of Internal Economy, of date April 16, 1929, and also having heard their representations as to the difficulty of maintaining the existing establishment, filling vacancies, and ensuring efficiency under the present provision with respect to minimum and maximum salaries, recommend as follows:

That the following grades and salaries suggested in the report of the Royal Commission on Technical and Professional Services be made applicable to the parliamentary reporting and editing staffs:

	Minimum	Maximum
Assistant Parliamentary Reporter, Grade III.	$2,800	$3,360
Chief Assistant Parliamentary Reporter, Grade IV..	3,420	3,900
Parliamentary Reporter Grade IV..	3,420	3,900
Associate Editor, Grade V..	4,020	4,620
Editor, Grade VI.. ..	4,800	5,520

and that steps be taken by the Civil Service Commission to give effect to this recommendation.

Your committee also make the following recommendations:

(a) That the organization and establishment of the house be amended by making provision for the addition to the staff of the Debates branch of one English and one French parliamentary reporter.

(b) That representations be made to the Civil Service Commission pointing out the advisability of so amending their regulations that appointments of parliamentary reporters be made within a few days when applications therefor are forwarded during the sessions of parliament.

(c) That the Editor of English Debates and the officer occupying the joint positions of the Editor of French Debates and Parliamentary Reporter be placed in the same class and paid the same remuneration, and

(d) That the above recommendations be submitted to the Civil Service Commission.

All of which is respectfully submitted.

WINDING-UP ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 53, to amend the Winding-up Act.

Mr. BENNETT: Explain.

Mr. LAPOINTE: When the Winding-up Act was placed in the statutes there were no shares of no par value. This is for the purpose of giving to the holders of a certain number of shares of no par value the right to petition for winding-up.

Motion agreed to and bill read the first time.

INQUIRY FOR RETURN

IMMIGRATION EXPENDITURES

On the orders of the day:

Hon. CHARLES STEWART (Minister of the Interior): Yesterday I was questioned by the hon. member for Athabaska (Mr. Kellner) as to when he could expect a return. I promise him the return by the beginning of next week.

LIBERAL CANDIDATES IN BRITISH COLUMBIA

On the orders of the day:

Mr. W. G. McQUARRIE (New Westminster): May I inquire whether the Prime Minister will endorse the candidature of Thomas Reid as Liberal nominee for New Westminster, in view of the fact that Reid stated at the nominating convention that he was in favour of greater protection for Canadian producers?

Mr. SPEAKER: We will say, stand as an order for return.

Mr. McQUARRIE: There is another question that I wish to ask the Prime Minister, and that is in regard to the Liberal candidate for Burrard.

Mr. SPEAKER: Order.

Mr. LAPOINTE: This is a sign of nervousness.

Mr. McQUARRIE: He also criticized—

Mr. SPEAKER: Order. The time of the house is very precious just now.

SUPPLY—UNEMPLOYMENT

AMENDMENT OF MR. HEAPS TO MOTION FOR COMMITTEE

The house resumed from Thursday, April 3, consideration of the motion of Mr. Mackenzie King for committee of supply, and the amendment thereto of Mr. Heaps.

Mr. FINLAY MacDONALD (Cape Breton South): I wish to correct a misapprehension which may have arisen from what I said yesterday with regard to the question of free trade. I intimated that I might be a free trader myself along certain lines, but that I wanted protection on coal and iron. The point I was trying to make was this, that if I were a free trader, I would likely be a free trader of the kind that we meet in this house, particularly on this side to my left, free traders who want free trade in the articles they buy, and protection on the produce that they have to sell.

I was trying to point out last night that the fiscal policy of this government is responsible to a certain degree, at least, for the unemployment now existing in this country. I was dealing with the question of coal. Since then I have read in the newspapers a statement made on the floor of the legislature of Nova Scotia to the effect that coal used in the heating of the public buildings at Halifax was imported from points outside of Canada, while miners within two hundred miles of Halifax are walking the streets idle. Surely there is a direct connection between the policy of this government and the unemployment that exists in the town of Glace Bay.

I also pointed out the effect which the introduction of Russian coal is going to have on the market that we want to get for Nova Scotia coal and possibly coal from the western provinces. Last year a large consignment of coal came from Russia into this country. It was refused admittance into the United States, but was admitted into Canada. The newspapers tell us that this year contracts have been let for the purchase of 250,000 tons of Russian coal. There is one thought that I want to leave with my friends from the west, the wheat farmers and free traders. The papers tell us that within the last year or so hundreds of millions of dollars have been spent in the United States for agricultural implements for Russia. Who dare say that within four or five years from now the great agricultural lands of Russia will not be developed to such a degree that, if they can replace our coal now, they will not then be in a position to replace our Canadian wheat? What will be the position then of the wheat farmers in this country? Will they be free traders then?

Mr. YOUNG (Weyburn): Sure.

Mr. MacDONALD (Cape Breton): The hon. member for Weyburn (Mr. Young) says

sure. He is a consistent free trader. He is, I believe, the father and mother of the consumers' league. He is the exponent of the free trade doctrine in this house. Yet he sat here the day before yesterday and listened to the most extreme protectionist doctrine that has ever been presented in this house. He heard the Minister of Labour (Mr. Heenan) say that he had paid $2,000,000 for a ship in Canada when he could have bought the same ship in London for $1,000,000. Is the hon. member for Weyburn going to subscribe to any such doctrine as that? Where are all his free trade theories? Those free trade theories are, after all, theories only. When they come up against the acid test of practical conditions, they vanish into thin air.

The newspapers to-day also bring us some surprising statements with regard to remarks made by certain provincial premiers in this country. I read that two or three of them have doubted that the Prime Minister made the statement in the house yesterday that he would not give five cents to a Tory government, but that he was prepared to go a certain length possibly in meeting one or two of the western provinces that have a Progressive premier at the head of their government. These three provincial premiers appeared to be surprised at such a statement by the Prime Minister. Why should they be surprised because the Prime Minister makes a frank and honest statement that we all know to be true? Certainly he would not give five cents to a Tory provincial government. Why? Because it is the policy of this government, and has been from the start, that every dollar of public money that is going to be spent is going to be spent for a political purpose. Give public money to a Tory government that will not expend it for Grit purposes? What nonsense. No, sir, this government is not going to do anything like that. There is where the vicious principle comes in, and I quite agree with the Prime Minister that is a vicious principle; but it is the outlook that has always characterized the Grit party in this country.

We have an illustration in my province, where the militia was called out to settle a strike. The cost amounted to $133,000. The militia was called out, my hon. friend says, by a Grit government. The federal government presented a bill to the province for that sum, and, what is more, made the province pay it, because they deducted it from the subsidy. Just contrast that with what the Borden government did in an exactly similar case; they presented a bill to the provincial government for the cost of the militia, but subsequently withdrew it. The Borden government did not collect a dollar, although a Grit government was in power in Nova Scotia. I do not think we could find a better contrast between the respective attitudes of the two old parties. This government is running true to form. We have ministers making pledges in this house and out of it in an endeavour to catch votes, but when they are called upon to implement these pledges we find them blocked by the Prime Minister.

But out of this debate comes one clear declaration—this government is opposed to unemployment insurance. There is no beclouding that fact. That declaration is going out to the people of this country who are in need, and to whom unemployment insurance would be a blessing. Let me tell the government that there will come a time when our unemployed will have an opportunity to return to power representatives who will attend to their wants. To-day we see the government without any cabinet solidarity; ministers saying one thing, the Prime Minister saying another. On the other hand, the Conservative party is true to its principles, it is true to the national policy, a policy that has done more than anything else to build up this country. It is on that party, Mr. Speaker, and its policies, especially the policy of protection as developed by experience, protection not only for capital, but also for labour and for the consumer, that our people may rely to maintain the progress which Canada is destined to make in the coming years.

Mr. J. P. HOWDEN (St. Boniface): Mr. Speaker, I trust the hon. gentleman (Mr. MacDonald) who has just taken his seat will forgive me if I do not follow his remarks very closely, but I hope to refer to them briefly before resuming my seat. The ground has been so well covered by a number of strong and excellent speeches that I would hesitate to take up the time of the house but for the fact that St. Boniface, embracing as it does the town of Transcona and the Canadian National shops with its many hundreds of workers, as well as the labouring suburb of Elmwood, is essentially a labouring constituency, and I believe that if ever I should raise my voice in this house now is the time when

we are considering the subject of unemployment, which is so disastrous to the welfare of the labouring classes.

It has been repeatedly stated, and I think it is pretty generally accepted, that unemployment is not an emergent condition, that we always have unemployment. In that statement I heartily concur. Of course, since our rigorous winter climate ties up many industries, unemployment is always increased at that season; but all through the summer, fall and winter while I am at home, not a day passes, cerainly not a week, but that I am asked to find jobs for men out of work. They seem to think that a letter from me is all that is necessary to secure them a job—unfortunately a much mistaken idea. There are always scores of men looking for work at the Transcona shops, men who go back day after day and week after week until finally they give up in disgust and despair and look elsewhere for work, with, I fear, no better success. There is no doubt that unemployment is a permanent and constant condition of our social structure, a malady or disease pertaining thereto, for which a cure must be sought and found if possible.

I do not think there is any doubt in the minds of many that seasonal unemployment is caused by our rigorous climate. Undoubtedly the collapse of the stock market and the fact that our wheat crop for 1929, as well as a large portion of that for 1928, is not yet sold, have had a very decided bearing on unemployment, for it has prevented considerable building programs being proceeded with. Some unemployment is caused by lack of training or fitness of the worker for his work. In this regard I might state that the migration of many thousands of people yearly from the British Isles and from Europe to this country has always been a large factor in unemployment. A few nights ago the hon. member for East Calgary (Mr. Adshead), pointed out that the major railway companies had for some years brought in immigrants from the old country, who had displaced men already in occupation at the various railway shops, and these in turn were later displaced by a fresh batch of immigrants. This complaint has been made to me in very bitter terms a number of times in connection with the Transcona shops. I have not verified the statement, but I have good reason to believe that it is true. If it is true, it is certainly a shame; it is a bad piece of business and it should be stopped immediately. Here, at least, is one place where charity, if it may be so called, should begin at home. I fancy, however, the basic cause of unemployment goes much deeper than this. Canada produces roughly ten times the amount of wheat required for her consumption; she produces many times the amount of minerals and forest products that can be used in this country; she produces 300,000,000 pounds of fish each year; there are greater quantities of manufactured products and products of the dairy, such as meat and eggs than can be consumed within the country. I fancy if the value of these products were estimated it would be found that Canada produces probably ten times the value of the amount required to provide comfort for her citizens. Still, the vast bulk of Canadians are not well off; there is no doubt about that. Unemployment is with us from year to year, and it is not infrequently that we find destitution amongst us. In these days, with our modern machinery and improved methods of production one man can do the work for which some years ago two or three men were required. That is to say that the employer or the head of a corporation buys for the wages of one man the work that was done in former years by several men.

> For unto every one that hath, shall be given; . . . . but from him that hath not, shall be taken away even that which he hath.

Fifty per cent less men can do more work than twice the number did a few years ago; in order to provide work for greater numbers the men are put on short time and small wages. The consequence is that they are frequently unable to procure the necessities of life, and an increasing number of men from year to year find themselves entirely out of work. This, to my mind, is the underlying cause of unemployment. Assuming that is correct, what is the cure? In medicine we say that the first principle in treatment is to eliminate the cause of the disease. Unfortunately this is a disease in which we cannot so easily eliminate the cause. It is, however, within the power of this parliament to bring in measures which would include a more equitable distribution of the wealth of this land, and would go far to overcome this evil and to remedy the present state of unemployment.

What would be the cure for unemployment, as we have it to-day? We cannot change the climate of Canada, but we could see to it that workmen were paid a sufficient wage during the period of occupation to carry them

over a reasonable period of inactivity during the winter. Secondly, we could stop undesirable immigration, and allow in only such immigrants as are actually needed to carry on the industry of this land, and those immigrants who are able to look after themselves upon their arrival. The governments of Canada, both federal and provincial, have the power to tax the wealth of this country for the purpose of providing for the general welfare of the body politic and its greatest asset, namely, its citizens.

I would now turn for a few moments from the field of mere platitudes to the criticism which has been offered to the government by some hon. members opposite who have taken part in this debate. The hon. member for Fort William (Mr. Manion) referred the other day to the policy of this government in connection with unemployment. Since the remarks of the hon. gentleman were made in the course of this debate, I presume I am at liberty to refer to them at this time. He stated that the policy of this government had annually driven out 100,000 men, for a number of years. I think that is a correct statement of his remarks. The hon. leader of the opposition (Mr. Bennett) speaking in Regina this year is reported to have said these words:

> It would surprise you to know that during the nine years the Liberals have been in power 859,000 Canadians have left this country to go to the United States. If in nine years the policy of the government has driven 859,000 Canadians to seek employment in the United States, twice as great a number as ever went in the same period before, what do you think of that policy?

As far as we can learn, these figures must have been taken from the United States immigration records. I might point out that this government took office in 1922, and can only he held responsible for the progress or otherwise of this country from the time it brought down its budget in March of that year. From that time until the period when these statistics were compiled was briefly seven years, rather than nine years. Those two years would cut a considerable number from the figure 859,000, and bring it down to about 740,000. So that with that treatment the figure is contracted. Further, 740,000 includes migration from Newfoundland, which is not a part of Canada, and would lower the figure by 2,000 men yearly. Taking this into consideration, the figure is now reduced to 726,000. That figure takes no account of people who have returned to Canada, or of Canadians who resided in the United States for only a short time and then returned to this side of the border. When these people are considered, the figure is still further reduced by 153,000, which brings it down to 573,000.

So, Mr. Speaker, if we carry this inquiry a little further we find in the end that the actual number of men who left Canada during this seven year period, instead of being 859,000, is actually 352,000. I might put a few figures on Hansard. In 1925 there migrated to the United States from Canada 100,859 people, and 15,815 people came to Canada from the United States. Returning Canadians numbered 43,775, which made a net loss to Canada in that year of 41,302. I will not follow these figures down to the present except to give the result for each year. I have given the figures for 1925. In 1926 the net loss was 25,020; in 1927 it was 3,524; in 1928 it was 8,260, and in 1929 it dwindled to 82. So, in the five years from 1925 to 1929, the migration to the United States from Canada amounted to only 78,188, which is a considerable comedown from the figures quoted by my hon. friend. When the hon. member for Fort William stated that we were losing 100,000 men a year to the United States, he remarked that this was a good way to cure unemployment but that he preferred the disease to the cure.

The fiscal policy of this country has been pretty thoroughly attacked as a cause of unemployment in Canada. Obviously the contention is, sir, that if the government would build a tariff wall around Canada so high that no foreign products could enter and the industries of this country had the entire home market, they would be able to develop to such an extent that they would employ sufficient men to do away with unemployment. It has been pointed out by hon. members in the course of this debate that the cause of unemployment in this country is the fact that machinery largely has supplanted man power in industry. As we find it to-day, there is not enough work for the men who were formerly employed; if these men are kept at work at all they are working only part time. Then of what benefit would it be to them to increase materially the industries of this country? These men would continue to be supplanted by machinery and still would be working on short time, and there would be an ever-increasing number of men out of work. Not only would that be the case, but these men working on short time would have to pay higher prices for the necessities of life owing to the increased cost of production which would be brought about by such a tariff wall.

There is another reason, I think, which applies here. Canada is an exporting country; she exports hundreds of millions of bushels of

wheat; she exports millions of dollars' worth of pulp, and many kinds of manufactured products. We send out millions of dollars' worth of minerals, lumber and other things, and if we build a high tariff wall around Canada in order to keep out foreign products, just how are we going to export our own products? We cannot expect to sell our products, be they what they may, to other countries without buying from those countries, and if Canada adopts a closed door policy what then are we to do with Canadian industry? I am not much of an economist, Mr. Speaker, but to me the very idea of this argument seems absurd and entirely out of the question.

An hon. member opposite pointed to the lack of a national coal policy as causing a great deal of unemployment in this country. A few years ago I had the good fortune to be on a committee of the house which investigated this matter. My memory is not very accurate, but I do remember that at that time the matter was thoroughly gone into. During the war, when the United States was threatened with a shortage of coal, it became necessary for Canada to develop rapidly her coal resources, and so probably for the first time that portion of eastern Canada east of western Ontario became acquainted with western coal. That coal made a very good impression; the people of central Canada signified that if this coal could reach the centre of the Dominion at a price which made it possible for them to use it, they would be very glad to do so. Unfortunately, in the long run this was found to be impossible. I believe that coal is worth $4 a ton on cars at the mine door, while the actual cost of moving it to central Canada is $9 a ton. This is a bituminous coal, and the people of central Canada can buy first class bituminous coal from the United States for less than $9 a ton.

Just here I might refer to something which may surprise some hon. members of the house. Pocahontas coal, which is very popular in Ontario, finds its way as far west as Winnipeg, where it is equally popular and where it is largely bought in preference to coal from Alberta. If United States coal can penetrate this country as far as Winnipeg; if the Canadian Pacific Railway Company sees fit to use United States coal on its lines from Montreal to Moose Jaw, there is not very much likelihood of the people in central Canada being able economically to use coal from Alberta.

Mr. ADSHEAD: If the government has given a cost rate to Ontario, is it not fitting that the people of Manitoba and Saskatchewan should receive the same rate?

Mr. HOWDEN: It seems reasonable that they should be entitled to a cost rate, and I have heard that argument before. However, Manitoba is not clamouring for western coal, although if a favoured rate were granted, probably it would have the effect of displacing some American coal, and I would like to see that displacement take place.

I think it has been found that coal from the maritimes cannot be economically moved farther west than Montreal, or possibly Ottawa, even with a subvention of 50 cents per ton, benefits of the tariff, and a favourable boat haul. It has been tried out, but I do not think there is any use in our hoping to put coal from the maritime provinces or from Alberta upon the central markets of Canada. That is to be regretted because it is those markets which create the greatest demand. The last speaker, the hon. member for South Cape Breton (Mr. MacDonald) pointed out that foreign coal was being burned in a public building in Halifax. I do not know much about the maritime provinces but I assume that he had reference to the parliament buildings. Halifax is considerably closer to the coal mines than is central Canada, and if the people of the maritimes cannot see to it that their own coal is burned in their own capital and their own parliament buildings, how can we hope to burn coal from the maritimes in the central portion of Canada?

Mr. MacDONALD (South Cape Breton): Will the hon. member permit me to correct him? The public buildings to which I referred were buildings of this government in Halifax, not of the local government.

Mr. YOUNG (Weyburn): What do they burn in the buildings owned by the local government?

Mr QUINN: Nova Scotia coal.

Mr. HOWDEN: That may make some difference, but not a great deal. If coal cannot be produced in Nova Scotia at a price to compete with foreign coal, then it is a sorry state of affairs.

While I am referring to the remarks of the hon. member for South Cape Breton, I would like to mention the ship which was built in this country at a cost of about $2,000,000. The hon. member criticized the Minister of Labour (Mr. Heenan) and other hon. ministers for their inconsistency in not following up our free trade policy. The members on the other side of the house have been most energetic in their demand for relief for the unemployed labouring men of this country. It has been stated that this ship could have been constructed in the old country at a cost

of about $1,500,000. There may not be much difference between having this work constructed abroad and making a grant of $500,000 for relief purposes, but there are added advantages which accrue. The labouring men not only receive the benefit of that extra $500,000, but they receive also the benefit of the other $1,500,000. I do not consider that the hon. minister should be taken to task regarding that item.

The attack which has been made upon the hon. Minister of Labour has been a matter of extreme regret to me, but I must say that I feel sorrier for those who have carried on the attack than I do for the minister himself. I have grave reason to doubt if Canada has ever had a better minister of labour than the Hon. Peter Heenan. I have grave reason to doubt if Canada has ever had a minister of labour who has done more for the labouring classes or who has enjoyed the confidence of the labouring classes to a greater degree than has the Hon. Peter Heenan. I had occasion to discover that fact regarding some fairly large contracts which were being carried on in Manitoba during the last year. Three contractors whom I know had engaged labour at rates entirely satisfactory to the men, who were delighted to obtain work at that period of the year. They were receiving from 75 cents to 80 cents per hour and were all satisfied with their lot, but the Minister of Labour, a member of this government, saw to it that those wages were increased from 75 cents to $1.10 per hour, and payments to the contractors were held up until that stipulation had been carried out.

Mr. ADSHEAD: What class of workers were they?

Mr. HOWDEN: They were carpenters—other classes of labour were concerned, and the rates were increased at the instigation of the Hon. Mr. Heenan.

Mr. THORSON: That would be skilled labour?

Mr. HOWDEN: Yes. I think it should be mentioned that it was largely due to the urging of the hon. Minister of Labour that the government has carried on public works so intensively during the last few months. Hon. members opposite have complained that although the minister stated that these works were being proceeded with, they were unable to obtain any information as to the amount of money expended. It might interest the hon. gentlemen to know that since last fall this government has spent on public works something like $20,000,000. This amount cannot be considered as a donation, but it was a fairly substantial expenditure and no doubt has had an extremely beneficial effect in relieving unemployment during the winter months.

I think we all realize that unemployment is an ever-threatening evil to our state, and is something which will have to be faced and dealt with by this country. I agree with some hon. members who suggest that the initial step might come from this house. The condition will become progressively worse from time to time, and this is something which, if disregarded, may well be fraught with dire consequences. During the past period of stress, as I indicated before, the government of this country saw to it that its servants were not allowed to suffer, not only so, but the plan of the president of the Canadian National Railways not to reduce his forces was endorsed by the government at no small loss of revenue. The government, as I stated a moment ago, also pursued the building policy to which I have referred and which undoubtedly has helped considerably to ameliorate matters. Considering these things, I certainly do not think this government merits a motion of want of confidence and I shall certainly vote against the motion, but I am ready to join hands with all hon. members who are seriously anxious for a solution of the unemployment problem, in the hope that we may make Canada a better place for its labouring class to live in.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, I wish first of all to congratulate the hon. member for St. Boniface (Mr. Howden) upon the very able address which he has just made to the house. With most of it, I am glad to say, I heartily agree, particularly with the first part in which he outlined the reasons for unemployment and offered certain suggestions for alleviating it. There is, however, one point on which I differ from him, although it may be considered a small difference. One of the reasons he claimed for unemployment was that a good deal of the 1929 crop and some of the 1928 crop was not yet sold. I should like to point out that as regards this crop, the producers have received most of the money coming to them and no doubt have spent it. Therefore, when the grain is ultimately sold, it will not make a great deal of difference with regard to employment or unemployment.

Mr. HOWDEN: It probably did make a difference.

Mr. SPENCER: I wish to congratulate the hon. member for North Winnipeg (Mr. Heaps) on having brought this all-important subject

before the house. He has been criticised for bringing it in as an amendment to the motion for committee of supply, but I do not blame him, for the simple reason that he wished in the first place to bring this subject before the house by way of resolution, and as private members' day has been cancelled, he had no alternative to the procedure he adopted.

He has also been misunderstood so far as his intentions with regard to the resolution are concerned. It has been intimated from the government side of the house that the resolution calls for large government expenditures. In his resolution he does not ask for any government expenditures at all. If the recommendations are carried out, there might even be a saving in expenditure. For instance, as the hon. member who has just taken his seat has said, in trying to rectify the unemployment problem we might cut a large amount off the immigration estimates; we might save money in other ways, and in the long run it might not involve any extra expenditure on the part of the government. I am glad the hon. member brought this subject up, because it is of fundamental importance. It is a subject that will grow in importance from time to time, because unemployment will increase from year to year as long as we have our present system of production and exchange.

I am interested in this subject, not from the point of view of its provincial, federal or international significance; not because action taken to ameliorate the present conditions might benefit the labourer, the farmer or the professional worker, but because first and foremost it is a human subject. It is a human subject because it deals with many thousands —and the number will certainly increase— who are at the present time suffering from lack of food, clothing and shelter. This is a phase of the subject we cannot ignore; and it has not been touched upon by more than four or five of the hon. members who have spoken in this debate.

The Minister of Labour (Mr. Heenan), speaking in this debate on April 1, referred to the action of the Dominion-provincial conference held in 1926, and stated that none of the provinces except Manitoba refused to take full responsibility for the expense in connection with unemployment. I challenged that statement at the time and reminded him that I knew the province of Alberta had refused to acknowledge full responsibility for the expense. He was at the moment reading from a bluebook which was supposed to be a record of what had taken place at that conference. It must have been only a synopsis and not a full one of what had taken place. I reminded the minister that he had in his possession a statement made by the premier of Alberta at the conference named, and for the benefit of the house I am going to read the statement to which I referred. Speaking on unemployment relief, Premier Brownlee said:

> For some years in the past the Dominion has been assuming a certain percentage of the cost of unemployment relief, and we think, in all fairness it should be continued. I am not sure we did receive our proportion last year; my memory is we did not, the reason for that being, in the province of Alberta we arranged with the municipalities a scheme of relief by which the province took care of unemployment among single men, the municipalities the married men.
>
> The department at Ottawa seem to feel that this was not in accordance with their ideas and did not make us a contribution as in previous years. Now, unemployment, as far as western Canada is concerned, is caused to some extent by the immigration policy, and we feel the Dominion government should assume some proportion as in the past, and should not insist on any one definite scheme between the municipalities and the provinces.

I sent this statement to the minister on February 28, and I received a reply in acknowledgment on March 3. Therefore I think the statement he made the other night in regard to the matter was, to say the least, unfair. Moreover, in regard to unemployment in Alberta this last winter, they estimate it will cost the province not less than $393,000. This is a sum larger than any that the province has previously been called upon to pay for that purpose by no less than $200,000 in round figures. I understand that the number of the unemployed in Canada to-day is in round figures, 100,000. I think therefore that according to these figures the prairie provinces with their small population are carrying quite a fair share of this burden.

I wish to congratulate the hon. member for South Wellington (Mr. Guthrie) for the very excellent speech he made last night. I differ from him, however, when he referred to the Minister of Railways (Mr. Crerar) and said that the people of eastern Canada would not expect much consideration from the men on the prairies because they were so taken up with the growing of grain that they had no interest in the industrial centres. I want to remind the hon. member that there are no bigger hearted men anywhere than the men on the prairies, and if there is distress, whether it is on the prairies, in central Canada or in the maritime provinces, he will find that those people are willing to do their bit and pay their share in relieving that distress.

Mr. GUTHRIE: I said the minister, not the men on the prairies.

Mr. SPENCER: I thought the hon. member had reference to the men on the prairies generally.

Mr. GUTHRIE: No, to the minister.

Mr. SPENCER: When the Prime Minister spoke on April 3, I had hoped that as a student of social problems he would give us one of those able speeches which he can make and often does make in this house, dealing with the problem that is confronting us, stating whether he considered it a federal, provincial or international problem, showing the causes why it was with us and why it was increasing, and at least point the way to how best we could relieve this growing distress and this growing expenditure on account of unemployment in Canada. I must confess, however, that I was very badly disappointed in his address. I had expected that he would make one of the best speeches of which he is capable. I cannot congratulate him on some of the remarks that he made during his address, particularly those of a partisan character. With reference to the province from which I have the honour to come, he said:

> As regards Alberta, we have had no request from the premier or any member of the government of Alberta for assistance with respect to an unemployment situation there.

He further went on to say, if I remember correctly, and I do not wish to misquote him, that none of the provincial governments were represented at the unemployment conference which was held in this city. In that statement I claim that he is not correct as no less than three of the provinces, Alberta, Saskatchewan and Manitoba, were represented. With further reference to his statement that no action had been taken in this regard by the province of Alberta, let me point out that this morning I happened to come across in the Edmonton Journal of March 11, 1930, a resolution that was passed unanimously by the Alberta assembly, reading as follows:

> Whereas unemployment constitutes a recurring and serious problem requiring large expenditures of public money for relief purposes and in non-productive work;
>
> Therefore be it resolved that this assembly is of the opinion that the government of Canada should, with the least possible delay, call a conference representative of the federal government and of the provincial governments for the purpose of investigating and considering this problem, and particularly to consider whether any nation-wide plan of unemployment insurance is practicable and feasible, having regard to all circumstances;
>
> Provided that in any action, legislative or otherwise, taken by the government of Canada following such conference, the province of Alberta shall not be deemed to concur therein, or to be bound thereby, until this legislature gives its approval thereto.

[Mr. Guthrie.]

That is sufficient, I think, to show that the province of Alberta at least has taken the problem of unemployment quite seriously. It also is quite conclusive that the province does not consider that the responsibility of carrying this burden is entirely its own.

In my opinion, Mr. Speaker, no government can claim exemption from responsibility with regard to unemployment so long as it controls the fiscal policy of the country, its immigration policy, and its currency and credit policy. I am sorry to see that in the course of this debate my friends of the official opposition have claimed that the only panacea for the unemployment situation is a change in the fiscal policy to higher and higher tariffs. If I were going to blame the government at all, I would blame them because they have not reduced tariffs where they might have done. We have seen in past years a large number of people, particularly from western Canada, drift into the United States, but so far as I know, and I know a great many who have gone to that country from farming in Canada, not a single one of them has taken up farming in the United States. That is an evidence of the poverty of agriculture in this country. If we are going to help agriculture, the basic industry of this country, one of the ways in which we can help it is to cut down the tariff on the many things which the farmer has to buy, particularly on those necessaries that go into his household.

With reference to immigration, we know full well that much against the insistent demand from this corner of the house during the last eight years, the government, with the fullest support of the opposition, have done their best to aid immigration to this country in greater and greater numbers. But the time has come, and it has probably been accelerated by the short crop which, unfortunately, we had in Canada last year, when the public generally realize that a stop has to be made. Looking at the figures of deportation for 1929, I see that they have risen to the large number of 3,267. Of these, 1,788 are listed as public charges. They would not be public charges if there was lots of work in this country, and if there is not plenty of work for them to do, it is proof that we had too many men with us at the time, or these men would have found work. But the most regrettable thing about these figures is that no less than 574 people were deported for criminality. The hon. member for Comox-Alberni (Mr. Neill), in the very excellent speech he made yesterday, pointed out that there was a very fine line to be drawn between the unemployed and the unemployable. In that I quite agree. He said further that there was also a fine line

to be drawn between the unemployable and the criminal cases. There is not one of us if placed in the same position, say of starvation, particularly if we had a wife and children depending upon us, who would not hesitate to take food to sustain life. Therefore it seems to be the duty of any government not only to see that the country is not over populated, but also to see that the people have work, and particularly to arrange that there are as few people as possible so badly off that they have nothing to lose. The most dangerous position for this or any other country to be in, is to have a large proportion of its people destitute, for these unfortunates in their extremity will have slight respect for law and order. I fear that is the position we shall drift into if we do not make some change in our economic system.

The hon. member for Comox-Alberni also raised the question of the cost of looking after the unemployed. I entirely agree with him that we cannot afford not to look after them. I would remind the house that in Great Britain, where they have had a serious unemployment situation for a long time, they adopted unemployment insurance, and it has had a marked effect in reducing crime, so much so that they have been able to close some of their jails. In other words, unemployment insurance, or the dole if you like, has relieved extreme poverty; and we all know that poverty is the mother of crime.

We often hear that machinery is doing away with man power, that is, it is doing the work that men used to do, and some argue that the men so displaced will be employed in making more machines. This fallacy I think, has been exploded by several speakers during the course of this debate. I may be permitted to refer to an instance that comes within my own personal recollection. I well remember the time in Great Britain some years ago when men and boys used to be employed by the thousands in selling boxes of matches to railway passengers. Then somebody invented a very simple slot machine. These machines were placed on the station platforms and all the passengers had to do was to put a penny in the slot whenever they wanted a box of matches. It is quite possible that the men and boys who were thus displaced were able to get employment in the factories manufacturing those machines; but in a few years enough of such machines could be turned out to put one on every railway platform in the United Kingdom, and as, barring accidents they would last for a hundred years, it will easily be seen that within a few years at the latest, those men and boys would again find themselves among the unemployed.

Some people think that we are still in the age of scarcity. That was the case not more than fifty years ago, but they fail to appreciate that to-day, through the aid of science and invention, we can with ease produce all the goods we need. This is true not only of the factory but also of the farm. The whole problem is to get the clothes and food that we can so easily produce distributed to the population that needs them. In a word, to-day the problem is one of markets, both domestic and foreign. To-day Canada can produce more wealth than all her inhabitants need. Every session we hear in the Speech from the Throne of the great prosperity this country is enjoying, but as the hon. member who last spoke (Mr. Howden) said, prosperous as this country may be, the rank and file of the people are not well off. This can be proved very readily by looking at the income tax returns, where we find in round figures that only fifteen per cent of the population pay income tax, which means that the other eighty-five per cent do not get sufficient income to pay the tax. It is admitted that large numbers of our people are on the verge of poverty—want and abundance go hand in hand. Speaking at an unemployment conference in Baltimore last April to deal with local and national unemployment, Dr. Sumner Schlicter, professor of economics at Cornell university said:

> We are eliminating jobs faster than we are creating them. The problem before the nation is how to create new jobs as rapidly as machines destroy the old ones.
>
> We must face the five-day week and the six-hour day.
>
> Is there any more reasonable demand than that every man willing and able to work shall be guaranteed that opportunity?

Let me also refer to Doctor Irving Fisher, head of the department of political science at Yale university. He advocated unemployment insurance, stabilization of price levels and currency, stabilization of seasonal employment and the regulation of employment by building programs.

I have been amused during this discussion to notice how much stress was placed by certain hon. members on a higher tariff as the only panacea for unemployment. We have only to look to the United States, one of the highest tariff countries in the world, where unfortunately to-day, both for themselves and the world, they have over 6,000,000 unemployed. If the 9,000,000 of our people to-day had all they needed without any extravagance, there would not be a single mill or factory idle throughout the country. The answer, of course, for our present condition is largely insufficiency of purchasing power. Our money

system places industry and the people in a strait-jacket. Some blame must be laid at the door of the policy known as the gold standard, under which we are supposed to keep down the currency in circulation in relation to the amount of gold we have in our vaults, and to issue credit only in proportion to the amount of currency. If, for instance, we have a limited amount of gold, or ill luck in finding more, and the country demands a large increase of credits to carry out needed developments, those developments will be handicaped because of the system to which we tie ourselves. The time will come, to my mind, when we shall have to recognize that we must place the country on a "goods basis" and not on what is termed and claimed to be a "gold basis." These conditions exist in most modern countries. We have heard that France, being a protectionist country, is well off. I think this statement was exploded only yesterday by the hon. member for Wetaskiwin (Mr. Irvine), when he pointed out that France was not increasing her population and was one of the few countries in the world which was wise enough after the war to refuse to have her currency deflated. Our fiscal policy in respect to unemployment will not solve the problem. It might make a slight difference one way or the other, but ultimately neither free trade nor protection is a panacea for the problem before us. The economic warfare existing between countries will lead ultimately only to military warfare; war is inevitable under the present economic system. Nations must adopt a new system of distributing goods, because machine power is emancipating mankind from toil. This was very ably expressed the other day by my friend the hon. member for Bow River (Mr. Garland), and I will not take up the time of the house repeating his remarks. He placed on record the most outstanding facts in this connection I have ever heard.

Unemployment insurance will help to some extent. I am not suggesting for one moment that it will solve the problem, but like old age pensions it will give the people a certain purchasing power; it will keep them from penury and protect them from extreme suffering, thereby helping to eliminate a certain amount of crime. The taxation necessary to get the money for unemployment relief will, to a certain extent, help to level incomes, but it will not increase the volume of money. Though it is only a temporary relief, I am in favour of it, because I think it is a great deal better than the policy of stagnation under which we are slumbering at the present time. The policy of immigration is, of course,

relative to unemployment and I am very glad that the government of the day has realized this fact and has decided to change its policy in respect thereto. We have heard many figures as to the world's jobless. Different figures have been stated during the course of this debate, but the figures I obtained the other day are, to my mind, fairly accurate. I have a statement before me from the London Daily Herald, which gives the number comprising the world's jobless as between 15,000,000 and 16,000,000. Of this total the United States has 6,000,000 unemployed; Germany, 4,5000,000; Russia, 2,000,000; Great Britain, 1,500,000; Japan, 800,000, and Italy, 500,000. This article goes on to say that the hope long held by economists that the situation was only temporary and would right itself, has vanished, and that unemployment seems likely to increase rather than to decrease.

Although this discussion has taken up considerable time in this house, it was no doubt introduced because the hon. member responsible for it felt he had to bring it forward as an amendment to the motion to go into supply. He had no other opportunity, owing to the fact that private members' days have been cancelled. For my part, however, I do not regret that the subject has come before the house for discussion. The subjects of unemployment and financial reform are, to my mind, two of the outstanding subjects to which this parliament particularly, as time goes on, is in duty bound to pay more attention. We have had some very excellent speeches with regard to this subject, but as I said before, only five or six of the hon. members have, in my opinion, actually reached bedrock. It does not matter what government may be in power; they will always have this unemployment problem to solve until we pay more attention to the very important problem of distribution, and as to how we can make it possible for the people of this country to get the purchasing power to buy the goods they require.

Mr. G. R. GEARY (South Toronto): Mr. Speaker, it is always a pleasure to listen to the remarks of my hon. friend from Battle River (Mr. Spencer). His speech follows in the train of others I have heard from him, and like those others bears the impress of thought and consideration.

I propose to join my hon. friend from North Winnipeg (Mr. Heaps), in support of his resolution and to vote for it. It is drawn in such wide terms that it has invited discussion not only of the situation as it exists to-day, but of the causes of that situation,

and of possible solutions of the problem as we have it before us. My hon. friend from Battle River, in common with others, has engaged himself more particularly with the root causes, as he sees them, of the condition which we face to-day. It is well that we should have had such a discussion, giving an opportunity for exposition of the various views which are held in this house as to our position in regard to unemployment. I do not propose, however, to deal so much with the question of the cause of unemployment as with the fact that it exists, and to offer some suggestions as to how it may be immediately met—to use the exact wording of the resolution.

It has been very instructive to hear the remarks of the hon. member for Bow River (Mr. Garland), who in giving his views, lays particular emphasis upon his conviction that we must return to the question of distribution of production—not so much production itself, but the question of distribution of production, and the profit taken. He suggests that in that way we might arrive at some solution of the cause of unemployment. Others have considered the question of immigration; others have dealt with the supersession of man power by machinery. One hon. gentleman has said that in his view our difficulty is in the worship of the "fetish" of maintaining the gold standard. It would be very interesting to enter into a discussion of all these points, but it is not my purpose to do so. For my own part, I will say what is probably not to the taste of my hon. friends to my left and my friend who proposed this resolution, that I think one of the main contributing causes of the difficulty in which we find ourselves to-day is to be found in the fiscal policy of the government. With that ground I am not going to deal; other opportunities will present themselves, and it does not seem to me that I would be serving any useful purpose to elaborate further upon a point which has already been well put to the house in this debate.

We must agree, and take it as proved, that we have to-day a serious situation in regard to the employment of our people. The Minister of Labour (Mr. Heenan) has accepted that proposition. Not only does he make no attempt to deny it, but one cannot read his speech without observing that he is fully conscious of the importance of the situation; I venture to say if we were able to read his mind it would show that in his personal view the proper thing to do, out of consideration for the rights of the people, would be to take some action, and to take it at once. The Prime Minister (Mr. Mackenzie King) says unemployment does not exist to-day in such a degree as to warrant our attention at the present time. I do not know which of these hon. gentlemen is in the better position to know the facts. I would think that he who is supposed to be more in touch with labour conditions than any other member of the cabinet, the Minister of Labour, would ascertain exactly what conditions existed in Canada in that regard, and that his finding that serious unemployment exists, should be valid and sound.

The Prime Minister seems unaware of some things that have occurred, and I should like to make a slight correction in what he said yesterday, when he stated that no municipalities have ventured to express their views to this house or to the government. I took part in a deputation from the city of Toronto and the surrounding municipalities, the head of each municipality being there, and without doubt these gentlemen stated clearly the very serious conditions which exist in their municipalities in regard to unemployment. The Prime Minister was corrected also by my hon. friend from Battle River with regard to the province of Alberta, so I venture to say that he has not thoroughly acquainted himself with the conditions as they exist. For that reason, and also because I believe the Minister of Labour is in the better position to know, I agree with the Minister of Labour that there is a very serious condition of unemployment in the country to-day which merits the immediate attention of the government.

I do not, however, agree with the attitude of the Minister of Labour with regard to that situation. I remember two lines of a song descriptive of a bird which roams the deserts of another continent. This bird is quoted in this way:

> "I will bury my head in the sand," quoth he,
> "And I won't tell where I am."

It seems to me that is exactly the position this government are taking at the present moment; they think that by concealing the facts of the situation from their eyes they can ignore them completely.

The Prime Minister has discussed the question of the constitutional limitations of the federal parliament, and I should like to say just a few words on that point. As I understand him, he does admit quite freely that there is no restriction on parliament voting money to be spent in any way that parliament desires it should be spent, but he goes on to say that under the British North America Act unemployment relief is not one of the matters for which the government

should provide by expenditure of public money. We are authorized in one very broad clause of the British North America Act to enact measures for the peace, order and good government of the Dominion of Canada. I do not say for a moment that that definitely authorizes us to impose financial liabilities or responsibilities upon the provinces or to interfere with the provinces on the question of contracts. However, under that provision the Canada Temperance Act was upheld many years ago as being within the jurisdiction of the Dominion, and I would point out that at all events, following the argument of the Prime Minister, anything which affects the peace, order and the good government of Canada is something with which the Dominion properly can deal. Surely no one will deny for a moment that unemployment is productive, not of order, but rather of disorder.

Mr. CANNON: Will my hon. friend allow a question? Has it not been decided many times by the privy council that these opening words of the residuary clause mean that this power can be exercised only provided that we are not dealing with subjects included in section 92?

Mr. GEARY: Yes, that is quite true.

Mr. BENNETT: No, it has been decided in the opposite way.

Mr. GEARY: Let me put it this way: This is one of the subjects allotted by section 91 to the Dominion, but it is restricted to a great extent by the exclusive power and control given to the provinces under section 92. However, it is also clear, as I am sure the Solicitor General knows, that the power given the Dominion under section 91 is not strictly so limited. That is to say, the Dominion power can reach over, impinge upon and interfere with the exercise of provincial powers if such is necessary or if it is ancillary to the jurisdiction of the Dominion parliament. With regard to something which may be ancillary to a provision for the peace, order and good government of the Dominion, or in a matter which has grown too large to be considered local, we may reach over into the provincial sphere. I think that is a correct statement of the law in that regard.

There is no question but that the regulation of trade and commerce is within the jurisdiction of the Dominion. That is a very wide power, and I fail to see how the provinces, in exercising any of their powers under section 92, can bring about unemployment. Unemployment must result from the exercise or non-exercise of the powers of the Dominion; there is nothing under provincial jurisdiction which would bring about the result. Similarly there is the question of immigration. Hon. gentleman during the course of this debate have indicated that the immigration policy has had a very great deal to do with unemployment, particularly in western Canada. With that statement I am inclined to agree. Now, since unemployment may result from the policy of this or any other federal government in regard to immigration, so far is it a matter which can be dealt with by this Dominion government.

Mr. GARLAND (Bow River): The statement my hon. friend has just made is fully borne out by the fact that the premier of one of the western provinces announces that 61 per cent of all the relief granted this year was granted to immigrants.

Mr. GEARY: Yes, that confirms the impression I had gathered from listening to my hon. friends to my left. Yet the Prime Minister yesterday blamed this party for all the immigration difficulties of the country. I remember very well the first campaign in which I was engaged in connection with the federal parliament. That was in 1925, and during that campaign the Prime Minister outlined four distinct points upon which that election was being fought. They were the tariff, railways, immigration and Senate reform. The immigration policy of the government at that time was to bring in more people. It was not a Conservative policy; it was a policy of the Liberal party five years ago, at the beginning of a new parliament. That parliament did not last very long, and perhaps my hon. friend meant to say that by the beginning of the next parliament conditions had changed, but that was not the case. Until this year the government have taken no steps with the view to restricting very severely immigration into this country.

The Prime Minister stated that the provinces have under their jurisdiction such things as charities and eleemosynary institutions. That is not at all applicable to the situation we have to-day. That refers to such things as asylums or other institutions, incorporated bodies if you like, which take care of people who are indigent or in need of some sort of help or treatment or assistance of that nature. By no stretch of the imagination can it be deemed to include charity. Much less can it be taken to include what is spoken of here, which is not charity but rather the provision of work to be done by the unemployed, for which they will receive money and for that money give value. Similarly with municipal institutions; that point can have no bearing here, nor can matters of a local or private

nature, because this is a general, national situation. The only ground upon which the Prime Minister can rest is that property and civil rights come within the jurisdiction of the provinces, and that that might interfere with the exercise of any compulsion by this Dominion. But is there anything in that analysis of the respective jurisdictions of the Dominion and the provinces to prevent the Dominion from, first, spending its money in the alleviation of unemployment or, second, taking the initiative in calling a meeting of the provinces and the Dominion in order to evolve some system of unemployment insurance, or a general discussion of the situation? That is the point I desire to make in my analysis of the question of jurisdiction.

The municipality is primarily liable. Whether or not it is right as a matter of fact, in practice it is so. It is the city hall or the town hall—the mayor or the reeve—they are accessible to the man or woman who desires employment, and naturally the matter is brought up in that form. It is then passed on to the province, and in cases of extreme need it should be passed by the provinces to the Dominion. I think that is all we desire at the present moment to draw to the attention of the government, the theory that the Dominion cannot absolve itself from taking some interest in this matter.

If a poor chap were to come to one of us and ask for some work, such as cutting wood or mowing grass or anything which might be within our power to give him, I do not think anyone would feel that he was doing right if he catechized that man and said: "Are you a Grit? Are you a Tory? Are you a Jew or a Christian? Do you speak English or French?" It would be a poor man indeed who would grant relief only upon such a catechism as that. Yet the Prime Minister has indicated that as being the principle upon which relief should be given to the provinces. That was his meaning when he said: If you are a Tory, you come to us with no hope of success; if you are a Progressive you can come to us with partial hope of success, and if you are a Grit you can come to us with the most complete hope for success. It would be bad enough for one of us so to conduct his affairs, but when the Prime Minister of this Dominion adopts that attitude in regard to provincial relations, it is to me beyond all question of right doing. I suppose the right hon. gentleman made those remarks in that fine zeal for unity which he is preaching from one end of this country to the other.

Knowing the conditions in my own city, and having heard of the conditions which exist elsewhere, my view is that immediate action should be taken, not next week, not the week after, but to-day. Other forms of relief may be considered a little later, but a sum of money should be made available immediately in order to take care of the requirements of the moment. In suggesting this I do not forget what other hon. members have offered in the way of a solution of this problem. I agree with the hon. members for St. Boniface (Mr. Howden) and Winnipeg South Centre (Mr. Thorson)), and with other hon. members who have stated, against the dictates of their leader, that in their view this government should initiate the calling together of the provinces with a view to considering some form of unemployment insurance. I do not know whether or not I am correctly quoting the hon. member for St. Boniface, but the other hon. gentleman stated in terms that he felt that the Dominion government must share some of the responsibility for unemployment. If the responsibility be shared by this government, surely something should be done by it towards alleviation. Although I do not possess the knowledge necessary to enter into a concrete discussion of this matter, I believe that a system of unemployment insurance could be worked out, providing for contributions and actuarially sound. All these things should be the subject of discussion with the provinces. The provinces are vitally interested and this government should lead the way in suggesting a conference or discussion of this matter. I do not think it can be said that the provinces should do this, because it is not possible. We have in this government a central body dealing with all the provinces and it is in a better position to initiate a conference of that sort than is any one province An endeavour should be made to have all the provinces attend this conference, but the Prime Minister says, "No, we will not do anything of the kind, we will wait until the provinces come to us." I would like to point out to the house that having said that the Prime Minister immediately nullified any good which might be in his suggestion, by saying to the Tory provinces: You need not come, for you will not get a five cent piece.

I have no desire to be drawn into a partisan condemnation of the Prime Minister; his words speak for themselves; he who runs may read. That is the exact attitude taken by the Prime Minister, and I do not desire to emphasize it. Government should not proceed on any such basis. If a conference were called the provinces should be able to feel that they are coming to discuss a matter of jurisdiction or contribution in the creation of an unemployment insurance scheme, and not that any favour or refusal would be based upon their

political affiliation. The present policy of the government is that certain provinces would be refused.

I would like to consider in a brief manner the various suggestions put forward by hon. members. While I press my suggestion that money should be provided immediately, I do not by any means disregard the valuable information given to the house by other hon. members. The hon. member for Bow River contended that an investigation should be held into the causes of unemployment. That would also be an investigation of the solution of the difficulties, economic or otherwise, under which we labour at the present time. The hon. member's suggestion is well worthy of thought and consideration and I would not for a moment suggest that it be discarded. I think one might well say that that is a very proper course to pursue, and it should receive attention. Perhaps this suggestion, instead of being brought to the attention of the house through an amendment, might be brought forward in a more definite form.

I think every hon. member has had some experience with the unquestionably pathetic results of unemployment, and I do not think I can usefully add to the store of knowledge of hon. members of this house. In common with others, I have had experiences which were heartbreaking, which made one think that all constitutional limitations should be smashed if that were necessary to give relief to people suffering as such people do. Rather than sit with folded hands, rather than give up the ghost as the hon. Minister of Labour has done, and as the government itself has done, I would like to see them up and doing in their attack upon this problem, and holding out some promise that their consideration would lead to action. It is the helpless, do-nothing attitude of the government which we deprecate most at the present time. We would urge them to forget what has been said; as the hon. member for South Wellington (Mr. Guthrie) said, let them forget what position they have taken; let them consider the matter from the standpoint of the human being and of the humanity that is in the whole question and say: We may have committed ourselves to a course of action, but we are men enough to free ourselves from that and we will endeavour with you to find some solution that will clear up a situation that is tearing at the heartstrings of men and women in this country. May I say to the Prime Minister, as the hon. member for South Wellington said yesterday: if he does that he will find unanimity behind him; there should be no question of support from the men who sit to the right of the Speaker; he certainly will have no measure of opposition from those who sit in the corner or those who sit to your left.

An emergency exists. There is no use quibbling about it or finding a little lack of expression here or an over-expression there to indicate that it is not national; that it is local and provincial; that it is usual, seasonal, recurrent and not an emergency at the present time. There is no use arguing in regard to that. We have an emergency to-day and practically overnight the federal government could relieve it to an appreciable extent. If the government were to take that attitude they would have the support of the whole country.

The Prime Minister has asked hon. gentlemen to my left not to be inveigled into supporting any policy of the Conservative party. I know them as well as and perhaps better than he does, and I do not think we could do that. We have endeavoured to impress the truth upon them and they do not receive it. They have their own views and they are going to hold to them. Why does he not say to us: Do not be coaxed, cozened or cajoled into supporting any of the policies of the Progressives who sit to your left?

Mr. GARLAND (Bow River): The danger in the case of the hon. gentleman's party is greater.

Mr. GEARY: That is the situation as I see it. One does not want to be sentimental about the matter; but one wants to see the facts as they are. The situation should be remedied and if it be of any avail I should like to add my voice to that of the hon. member for South Wellington who yesterday left the door open to the government to do what, not only from a humanitarian standpoint, but even from the lower ground of policy, is one of the best things they could do.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, notwithstanding all that has been said to the contrary I believe the unemployment question to-day is a national one. The Dominion is practically in control of all policies relating to labour, for instance, immigration, et cetera. That unemployment will occur during the winter months is perhaps inevitable because of our climate, but for the whole of 1929 work was scarce for all those who seek their living by their day's wage. In any case, unemployment is not an emergent question to-day; it is with us and with us to stay. The question is whether we want to tackle the problem in the manner we should. Unemployment insurance, while

not a cure, will at least relieve the sufferings of many, some of which sufferings I myself saw last winter.

There are many causes for unemployment and I am going to enumerate some of them. One fact that we must face in our economic life to-day is that we are everlastingly driving our workers into our industrial centres, our cities. Our population is being more and more separated into two distinct groups; and we need not seek very far for the cause. In the cities we have the capitalists and the wage earners; in the country we are getting more and more into the way of the older countries, and we have the landlord and the tenant; both these groups corresponding to the old days of feudal lord and serf.

The high cost of living certainly debars many people from entering into small industries and concerns for themselves; it puts all such enterprises out of reach of those who are willing to work. I meet to-day in the country many who express their desire to go into poultry raising or dairying on a small scale, believing that the family could keep those things going while it was profitable for the father to work out while wages were at their highest. But it seems to me that the policy which our friends to my right are advocating is killing this spirit of enterprise, and we are driving our population into two distinct groups.

Let us see what the man who would go into an industry on a small scale is up against. First he builds a house, however humble it may be. He goes to the lumber yard nearest to him and there he finds that the price of common lumber, probably planed on one side and one edge, is as high as $56 a thousand retail in any yard in Saskatchewan to-day. Perhaps he asks the price of siding and finds it runs all the way from $80 to $90 a thousand, I believe a good deal dearer than the price at which the mills in British Columbia have been delivering it in the Orient. He can, however, secure at $62 a thousand a grade of siding which, I would draw to the attention of the hon. member for Vancouver Centre (Mr. Stevens), carries a 25 per cent duty. This is the cheapest grade of siding at present in the yards in the west. It is called No. 2½ siding, and it is cut, I believe, from stumps, such as fallen logs that are over ripe. He can get this for $62 a thousand by calling a five-and-a-half-inch board six inches. Sometimes it is five and three-eighths inches, but he must pay for six inches. Every worker, too, must buy flour, and he finds that a sack of good household flour costs about eighty cents more to-day at his point than the price at which the same grade made from Canadian wheat is quoted in Liverpool. In fact, flour, Manitoba Top Patents, is sold at about $1.69 per barrel cheaper in Liverpool than in Winnipeg. If he goes into dairying he finds himself up against a fiscal policy which can easily be explained by the action of the government in removing all protection on the dairy products which he expects to produce and placing it on the necessaries of life which he must buy, tending still further to herd our workers into the cities. Let me give a case in point. To provide that freer entry into the Australian market for the manufacture of Canada the government took three cents a pound duty off butter and placed it on raisins. In fact, this was the foundation of the Australian treaty. I would not mention it but for the fact that it seems to have been the policy of governments in this country for the last sixty years so to divide our people into two distinct groups, the capitalists and the wage earners. When there was a duty on butter which promised to be a factor in price fixing, it was at once taken off and that duty was placed on the necessaries of life. The old duty on butter was four cents a pound, but it was never then of any use to the farmer.

The efficiency of any nation must always be judged according to the cost of living and the cost of production in that country, and not by the ease with which the earnings of the worker are filched from him, which in the past has been mistakenly called prosperity. Land is cheap all over Canada to-day. It is the necessaries for settlement that are beyond the reach of the worker's energy and enterprise. We guarantee the profits of the owners of urban industry, but there is absolutely no security for the workingman, particularly the unskilled. There is no security either for the man on the farm. Everything seemingly is done to aid the capitalists, whose profits are guaranteed; but the workers are herded together without any consideration for their well-being. Urban industry to-day seems nothing better than an excuse to secure privileges by legislation and to filch the earnings of the farmer and the worker.

The Prime Minister (Mr. Mackenzie King) said that capital was the great essential in industry. The great essential in industry, to my way of thinking, is energy and enterprise, and the end in view should always be the well-being of the subject. I had a resolution sent in to me, which I passed on to the Prime

Minister, from the Biggar division of the Canadian Brotherhood of Railway Employees, and it reads this way:

Whereas it has been brought to our attention that thousands of railway employees who would normally have steady employment throughout the year have been laid off, and are feeling severe privation and hardship resulting therefrom,

Be it therefore resolved that Biggar division No. 151, Canadian Brotherhood of Railway Employees, go on record as favouring a conference of representatives of the financial, industrial and labour organizations being called with a view to stimulating industry, restoring the confidence of the public, and reducing unemployment.

The Minister of Labour says that the Dominion government has no responsibility in the matter of calling a conference to consider the question of unemployment. I have thought since that perhaps it was a good thing that a conference was not called on the spur of the moment, because after calm and more mature consideration a commission may be appointed, composed of men of economic thought and foresight, who will go to the root of the matter and find some permanent solution of the problem for the future as well as the present. The fact is that the worker's lot in Canada—and I must say that it is also the lot of the farmer, who is being continually driven into the industrial centres—is a precarious and haphazard one, subject to all kinds of class legislation and class privileges which neither the agriculturist nor the workingman shares. The ease with which production is carried on should be a national benefit. If it is easier to produce, it should be easier for the workingman as well as the capitalist. To the capitalist, ease of production is a bonanza; but to the wage earner it is a nightmare.

I was struck by a remark of the hon. member for Toronto-Scarborough (Mr. Harris) in his speech the other day. He wants the farmer to make more butter, and he would place a duty on butter for that purpose. He really is speaking there for the great creamery combine or merger which is being formed to control that business from one end of this Dominion to the other, and for which he wants to secure all kinds of advantages. When the farmer's wife was the butter maker, everything she needed was, in price, out of line with the butter which she made and sold. But now that the merger is being formed, every advantage will be given to it, particularly the power of price fixing.

As I said before, the farmer has to pay high duties. He is penalized on all his raw material. Take salt, for instance. The packers and fish curers can get their salt in free, but the farmer must pay a high duty, not only on the salt itself, but on the covers containing the salt. By these means the small farmer is soon driven to throw up his hands and to tell the mortgage holder or the banker to take what is left, and he himself then crowds in with those who are already standing outside the factory doors in our industrial centres waiting for employment.

The hon. member for Toronto-Scarborough, who made a very good speech in a way, deplored the fact that we were importing a large quantity of foodstuffs which we might be producing here. Yet he very illogically advocates an increase in tariffs, which is the very bane of agriculture. He never told us, though, with what we pay for the goods we import. If the price of farm products to-day were in line with the price of manufactured goods, and the farmer were given the freedom of exchange which he needs, there would be a rush to the farm, and more people would be making their own living. Intensive farming would be the result, and our cities would not, even in the wintertime, be overburdened with workers. The means of production here should be the cheapest in the world. They say that unemployment exists in England as well as in Canada—one a free trade and the other a protectionist country; but the difference lies in this, that in England land is very dear, here it is cheap. In fact one of my protectionist friends told me not so long ago that if a farmer wants to sell out to-day in Ontario all he expects to get for his farm is the cost of his buildings —very little more. Indeed, I know one farmer who did sell out for less than the buildings could be put up to-day. That means the land is within reach of everybody, but the necessaries to make it productive are out of reach of the man who in an honest and humble way, with his own courage and enterprise, can make it go. Here is one of the real causes of unemployment at the present time.

Now, the demand for unemployment insurance is simply a natural growth of urban industry, as our fiscal policy is maintained to-day. We are subject to panics and industrial depression, very often seemingly for no cause whatever. The present situation may have been brought about largely through a bearish pressure on the stock market, which created a lack of confidence, and that in turn brought about a period of under-consumption. This is a fact anyway, that underconsumption is not only rife amongst the working class who are out of work, but people of independent means have curtailed purchases to bare necessities. The curtailing of the British preference by the latest restriction, a

measure brought into force by our government a year ago, has prevented, I feel, a very large portion of our wheat being moved, and in this way we have the cause of unemployment accounted for in large measure.

It is a terrible indictment of our economic system that while our warehouses are full of manufactured goods and our granaries are full of grain, our industrial centres are full of hungry people out of work. Our manufacturers for whom this nation has been bled white take upon themselves no responsibility for the welfare of the men and women who work in their factories, and on the most flimsy excuses they have thrown them out of employment. The Canadian Pacific Railway Company, which was actively engaged in immigration, turned immigrants loose on a sympathetic rural municipality or village without any further care for them. I have here a letter written by the pastor of one of the churches in MacGregor, Manitoba, in which he says:

I had made up my mind to write you regarding a number of Welsh miner immigrants. Their statement to me was that they had come to Canada under what was known as the Canadian Pacific Railway cottage scheme. Their passage was paid, and then when they arrived in Canada they were to be put in a cottage with furniture supplied, and at once they were to receive wages amounting to about five dollars per day. Then after a year's experience on a farm they were to be placed in charge of a farm for themselves, etc. Rosy and bright was it not? When they arrived here, the cottages were old, unused, unfurnished houses, and there were no farmers looking for men at any such wages. I do not think much is to be gained by having men come to Canada under any such conditions, but at the same time the citizens of Canada ought not to permit any company whatsoever to bring immigrants here and dump them on a community in the expectation that the neighbours of those unfortunates would not see them starve. Four of the five families went into Winnipeg securing work for the summer, but how about the winter?

They are there to-day, swelling the ranks of the unemployed.

Regarding the conference which the Minister of Labour has been urged to call, the Saskatoon Star has this to say:

Only the Dominion government can take a proper survey of the economic problems thus created, chiefly the problem of seasonal unemployment. This is very clearly a national issue. No province or municipality can see the whole of it or attempt to control the movement of seasonal workers.

There are other reasons why the Dominion government has a duty to give a lead. It is responsible for immigration policy. It can, if it chooses, shut the door tight on immigration or open it wide and the policy it elects to follow evidently has an important bearing on the state of the labour market. Again, the Dominion government is the only government in the country which has any control over the monetary and financial policies of the banks, another powerful factor in limiting or enlarging opportunities for employment.

I think a duty rests there on the Dominion government, and I shall hope to see a commission appointed that will go to the root of this matter. A similar resolution to the one I have already read was passed by the United Farmers of Canada at a conference composed of the executive of the united farmers, the trades and labour council and the churches in Saskatoon. They, too, called on the government to investigate the present situation. I believe with the Star that the government must take the responsibility in a very large measure for unemployment, seeing that they control practically all the policies relating to labour conditions. I believe, too, that the present crisis is largely due to the inelasticity of credit. In point of fact, since the bank is the nerve centre of modern business, all crises are financial more or less.

Now, whatever we do, there is a duty we owe to those who are suffering hunger and the want of the necessaries of life, and without doubt some way will have to be found to bring about a scheme of unemployment insurance. The responsibility for this must be placed on the protected industries, and I believe with a proper system of such insurance based on the responsibility of the protected parties, the manufacturers of this country, a far more stable condition of affairs would be brought about. I am sure that under such a scheme employers could not create panics in the hearts of their workers through the threat of taking their jobs to the extent that it is done to-day. Labour is itinerant because of the uncertainty of employment. Employment insurance must be based chiefly on protected industry. Established industry in Canada to-day has an assurance which is not enjoyed by capitalists in any other country, and these capitalists must be made responsible for the working men whom they have induced to take employment in their factories. At the conference held by the United Farmers of Saskatchewan, the secretary of the trades and labour council told us that a very large concern which had established itself in Regina employed last year about a thousand workers. It laid off practically three-quarters of them at the beginning of this winter. When the manager was consulted he made the statement that it was the policy of his company to have one man on the job and two at the gate. It is unreasonable to expect that the nation's workers should be subjected to the exigencies of capitalism, and panics created to satisfy

greed. I would tolerate protection in some form, and to some extent, if it were extended to the worker, but it is unreasonable to tax their necessaries of life. If the protectionist system, which at the present time is only a debauch, could be extended to the worker, and give some assurance to the wage earner, it might be more tolerable. There is no stability in our present method of manufacturing and distributing goods, and we may as well ask ourselves what it is that gives value to the subscribed capital of going concerns, all of which depend upon the exploitation of the people. It depends very largely on the control of parliament by the capitalistic concerns of to-day. Let me quote the words of Roger Babson, that great wizard of business and finance. This is what he has to say in regard to capitalistic investments:

> The value of our investments depends not on the strength of our banks but rather on the strength of our churches. The underpaid preachers of the nation are the men upon whom we are really depending, rather than the well paid lawyers, bankers and brokers. The religion of the community is really the bulwark of our investments.

To my mind those words are rather significant. It is a telling indictment against our present business methods when it can be said that the safety of the whole structure depends, not on a square deal for all, but on the want of proper information and the piety of our people.

Of the country's earnings last year, the banks took some $27,915,255 in net profits. Exorbitant profits mean under-consumption. We only need to know something of the A.B.C. of economics to understand that the fact that there are exorbitant profits means that there must be under-consumption. I have the following figures as to the net profits of Canadian banks, obtained from the bureau of statistics:

Bank of Montreal..	$7,070,892
Bank of Toronto..	1,453,436
Banque Provinciale du Canada.	551,622
Canadian Bank of Commerce..	5,066,229
Royal Bank of Canada..	7,145,137
Imperial Bank of Canada.. ..	1,561,561
Banque Canadienne Nationale.	1,053,099

The profits of the Bank of Nova Scotia, the Dominion bank and the Weyburn Security bank are not given. If we take the returns of those three as published last year and add them to the others, it brings the total amount up to about $30,000,000. This is so much money taken out of the Canadian industry. Canadian industry during 1930 will be that much more dependent upon borrowed money, unless agriculture is able to export at a profit what it has on hand. We have been able to meet these exorbitant profits by expanding agriculture year by year, but agriculture has reached the stage where it can no longer bear the strain. I see no hope of equity between the classes so long as our present system of privilege continues, and exorbitant profits are taken each year from the earnings of the workers. In fact, to me it is no wonder there is unemployment; big profits, I say, cause under-consumption. Credit and banking should be public utilities, publicly owned and controlled. More and more it becomes evident that the state must assume certain functions hitherto not deemed to be appropriate to it. Canada's inefficiency to-day is to be seen in the cost of living and the cost of production. The cost of living in Canada is higher than in any country to which she exports her goods, whether they be agricultural products or manufactured articles. Such a condition cannot be very long continued; the cost of living and the cost of production must be lowered as the first step in solving the unemployment problem.

With regard to the Prime Minister's speech yesterday, I want to say that if this government refuses to cooperate with the provinces, then the provinces, as sovereign entities, will have to take steps to protect themselves. In the past neither the Dominion nor the provincial governments have had any control over the welfare of our people, as a result of whose brawn and sweat the industries of this country have been established. The fiscal policy of this country has been in the hands of the capitalists, who nominally own the industrial plants of the Dominion. I say they only nominally own the plants which they direct, and with which they exploit the workers of the country. Neither Roger Babson's method, the capitalistic control of parliament, nor even the militia will be able to hold this country in peace, order and good government if the railway companies and other concerns, such as Besco, are allowed to import labour, as they import raw material, for their own benefit. I have here a clipping from the Toronto Star which describes conditions in the United States and contains also a warning which was thrown out the other day to one of the committees of congress in Washington. The clipping is dated April 1, 1930, and states:

> The country is faced with possibility of revolution unless the unemployment situation is met, William Green of the American Federation of Labour warned the Senate Commerce Committee to-day demanding enactment of the three pending Wagner bills to alleviate conditions.

Conditions are much the same in this country; we are following exactly the same policy that has brought United States agriculturists to the point where they must accept direct aid.

Mr. SPEAKER: The hon. gentleman's time is up.

Mr. R. E. RYERSON (Brantford City): Mr. Speaker, it is not my intention unduly to prolong this debate but, sir, representing as I do an industrial centre which has been greatly affected by the serious unemployment situation which has existed for the past four months and is still with us, I deem it my duty to protest against the utter lack of sympathy on the part of this government and its unwillingness to assume any responsibility towards the relief of a situation which has become most serious in many centres of Canada. Appeals for assistance have been made to the government from many sources; deputations representing burdened municipalities extending from the Pacific coast to the Quebec border have waited upon the government and have pleaded and urged the necessity for cooperation and help in dealing with the situation. To all these appeals the government has assumed the attitude that unemployment and its distressing consequences are matters for municipalities and provinces to deal with. No effort has been made by the government in any way to relieve the situation.

I contend, sir, that the welfare and happiness of any people should be the first duty of a government, and that in times of depression and unemployment like the present it should use every means within its power, not only to remove the cause, but to assist in the relief of those who are in distress. While there may be no direct legal obligation on the part of the government in this matter, undoubtedly there is a great moral responsibility which should outweigh any other considerations.

In this respect, sir, may I mention the question of assisted immigration, and the effect upon unemployment of the dumping upon the industrial centres of the thousands of immigrants who were brought to Canada during the past year, under many different schemes and organizations, by agreement and with the consent of the government. Many of these immigrants originally destined for farm work were either improperly placed or were dumped upon the industrial centres, where they were left to their own resources, either to become public charges or to secure industrial employment to the detriment of our own workers.

May I describe to the house briefly the operations of one of these plans to secure immigrants and the manner of their treatment upon arrival here? The plan I refer to was called the Canadian Pacific cottage scheme, and was a three-way agreement between the British government, the transportation companies and the Canadian government. Under this arrangement 100 British families were to be brought to Canada and placed in cottages on farms, with regular employment guaranteed at fair wages. The British government were to make an advance of £25 to each family, this amount to be disbursed by the transportation company, and in addition were to recruit and make the selections. The transportation companies were responsible for transportation and placement at farm work in Canada, the Canadian government to share in the expense and to look after medical inspection.

The literature and advertisements used in recruiting were of the most alluring kind. I have examined several pamphlets which were distributed in certain districts in England and Wales, mainly mining districts, through the labour offices of the British government. Promises were made of a beautiful little cottage, a coloured sketch of which was displayed, and which was described as—cottage No. 2 of the farm on which the man was to have one year's employment at good wages. In addition, the family was promised a cow, some chickens and a piece of land to cultivate for its own use. I believe that the original scheme contemplated settling these families in the west, but for reasons best known to the transportation company they were landed in Toronto and distributed from there. In the neighborhood of 35 to 40 families arrived in Toronto during June and early July of last year. Complaints having been made to the Department of Immigration and Colonization, an investigation was held which resulted in the scheme being dropped. Many of the families were sent on to Brantford, where two double frame shacks, or rest cottages, as they were designated, had been erected in the centre of a large field or common about three-quarters of a mile from the city limits. The accommodation in these shacks was very meagre and the sanitary conditions wretched. No water was provided; it could be secured only from friendly neighbours nearly a quarter of a mile distant. These cottages were condemned and officially closed by the health authorities of the township of Brantford early in August, but I remember two of these families, one with nine children and the other with six, who were unable to find living

quarters in the city and who lived under the conditions described until latter part of October. Upon their arrival in Brantford they were taken to the cottages and from there efforts were made to place them at farm work. Any hon. member who is familiar with farm conditions in the province of Ontario well knows that comparatively few farms are provided with secondary homes for hired help. With few exceptions the only homes available were deserted or anbandoned, most of which were unsuitable for human habitation. A family would be taken to one of these places and told: There is your home, the rent will be so much, and we have a temporary job for you on another farm, which might be a mile or a mile and a half away. Some thirteen or fourteen families found their way to the city and to the suburbs. Three or four families have been deported on account of having become public charges, and one woman was sent back on account of an improper medical inspection having been made.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILL

MERCHANTS' AND EMPLOYERS' INSURANCE COMPANY

Mr. JEAN FRANCOIS POULIOT (Témiscouata) moved the second reading of Bill No. 52, to incorporate the Merchants' and Employers' Insurance Company.

He said: Mr. Speaker, I have been asked by my desk mate, the hon. member for Laurier-Outremont (Mr. Mercier), to take charge of this bill of which he is the sponser.

Motion agreed to and bill read the second time.

DIVORCE COURT FOR ONTARIO

On the order:

House in committee on Bill No. 20, to provide in the province of Ontario for the dissolution and annulment of marriage.—Mr. Woodsworth.

Mr. WOODSWORTH: On account of the absence of a number of hon. members on both sides who are anxious to be present when this bill is discussed in committee, I would ask that the bill stand.

Mr. SPEAKER: Stand.

GOVERNMENT CONTRACTS

Mr. J. J. E. GUERIN (St. Ann) moved the second reading of Bill No. 39, respecting government contracts.

[Mr. Ryerson.]

Mr. LAPOINTE: Explain.

Mr. GUERIN: The other day when this bill was being introduced I explained in a few words the nature of it. It provides that there shall be no age limit so far as workingmen are concerned, in connection with government contracts or contracts entered into by any organization, corporation or company other than the government, which organization, however, depends upon the government, has received, or may receive, or does receive government support. Consequently it includes many corporations such as harbour boards whose contracts would not necessarily be considered as government contracts.

Mr. WOODSWORTH: I am sorry, but we cannot hear at this end of the house.

Mr. GUERIN: There are many organizations which receive government aid or which owe their existence to the government. There are, for example, harbour boards, railway companies and many other organizations too numerous to mention which at one time or another have received government aid, and which, I think, should be governed by legislation of this kind.

I find that when people apply for work they are generally refused it on account of some limitation of age. Men in the prime of life, forty to fifty years of age, are not given work because of some arrangement that a contractor may have with an insurance company, or for some other reason. Objection has been taken privately to my bill in that it might interfere with insurance, but that is merely a side issue. Any insurance company will insure any man, no matter what his age may be, provided that the contractor is prepared to pay the premium. The objection is not one of insurance; it is one of economy on the part of the contractor who wants to get his insurance at the lowest possible premium. Therefore I think all hon. members will agree with me that insurance has nothing to do with the matter as it is all a question of the payment of the necessary premium by the party who does the insuring.

Many large contracts are shortly to be given out in Montreal. Upwards of $50,000,000 have been voted to be spent within the next five years and great works will be going on in that city. Unless some legislation of this description is enacted, I am afraid that contractors will hide behind the cloak of the private corporation and not live up to the conditions that would prevail in respect to a government contract and it is in order to cover all such contracts that I have introduced this bill. I think it was two years ago we

voted $10,000,000 for the harbour of Montreal. We built elevators. I sent men there for employment and I was astonished to find that although they were husky, ablebodied, well-appearing men, they were refused work under the pretext that they were too old. Out of curiosity I visited one of the elevators that was being constructed in order to inspect the kindergarten, that was carrying on the work. I found that they were a lot of men who were evidently working for less than the ordinary Canadian citizen would work. I went in amongst them. There was hardly any English being spoken—practically nothing but foreign tongues. There were Poles, Italians, Lithuanians, and many others whose language I could not identify. But they were all foreigners. I looked around to see the habitations of these people, and I found that they just hived together, ten, fifteen or twenty in a house. They prepared their own meals. When the bell rang at twelve o'clock for luncheon, they would run to the nearest grocery, buy a loaf of bread and a little something else—while our citizens are going around with their hands in their pockets. My bill is to provide against such a condition. I do not want our people to be told that they are too old as long as they have robust health and comparative youth. The way things are going to-day, Mr. Speaker, the man who gets married at twenty-eight or thirty has only his first or second child on his hands before he is told that he is too old to work. The thing is preposterous, and we must legislate in some way in order to overcome any such pretensions, which are nothing but absurd. I am told that the Workmen's Compensation Act militates against my contentions because it insists on a certain insuring of the workingmen by their employers. But as I said before, the age limit at which a man may be insured is not defined in any workmen's compensation act; the matter is left entirely to the sense of justice of the employer of labour—in other words, to the contractor. Suppose the contractor could not get the necessary insurance for the employee. There is always the civil law that protects the working man, and he can always have recourse to the courts if the contractor has not covered his case by insurance. The Workmen's Compensation Act provides, as I understand it, that when an accident occurs the case shall be submitted to a tribunal which decides on the extent of the injuries done and the amount of damage to be paid. Their verdict is communicated to the insurer, who meets the obligation. But in order to get his employees insured cheaply, the contractor sets an age limit, and that is the crux of the whole matter. That is what I want to combat.

The last clause of this bill, I must confess will be more or less covered by the enactment presaged yesterday by the Minister of Labour (Mr. Heenan). I refer to the fair wage clause. In my bill I ask that the rate of wages prevailing for labour in the district shall be paid, and failing that, that it shall remain with the Minister of Labour to decide whether or not to cancel the contract. I provide that penalty in order to see that the contract shall be carried out on just terms.

I do not think there is anything in the bill that is likely to meet with objection. As far as my judgment goes, I have done all I can, with the aid of legal help that I have received in the house, to make the purpose of this proposed legislation clear. I sincerely hope and trust that it will receive the favourable consideration of the house.

Hon. PETER HEENAN (Minister of Labour): I am in sympathy with the purpose of this bill, but I am afraid, Mr. Speaker, that clause 4 makes it a money bill, and therefore out of order. Apart from that, the bill does conflict in some degree with the working of the Workmen's Compensation Act of the province of Quebec. The Workmen's Compensation Act of that province is different from any other provincial act so far as I am aware, inasmuch as under the Quebec act employers are required to insure their employees with some insurance company. Employers are permitted to insure in any company they choose, subject to the approval of the Workmen's Compensation Board of the province. So that the Quebec Act, and the commission appointed under that act, have full control over the insurance under which the workmen are insured. Of course, the age of the workmen is a big factor in determining the premium that is to be paid by the employer, and I suppose that many employers of labour in the province are taking advantage of that fact and insuring their employees up to a certain age limit. That operates in the way my hon. friend has indicated, so that there is an age beyond which an employer does not insure his men and still have them protected under the Workmen's Compensation Act.

I am not sure whether my hon. friend from St. Ann (Mr. Guérin) knows that the labour representatives have been encouraged to expect that at the next session of the legislature of the province of Quebec the provincial act will be amended to place it on a somewhat similar basis to that of the Ontario act, which

provides for state insurance rather than insurance by a company.

Apart from the fact that this is a money bill, I have only this to add. There is a principle in this bill which we might consider, and I think it might well be considered under Bill No. 149, which is now before the house. I feel that we might be able to provide by regulation that workmen shall not be debarred from employment on public works simply because of their age. If my hon. friend will withdraw the measure I will undertake to see if we can incorporate such a provision in our own regulations.

Mr. GUERIN: Mr. Speaker, I cannot see that there is any proposal in my bill to spend money, unless it be in the last clause referring to the fair wage that should be paid. I am quite willing to withdraw the clause, as I believe it will be covered by the regulations that are being prepared by the Minister of Labour; but I am not inclined to withdraw the three other clauses unless I see similar provisions written into the minister's bill. I do not know how far it would be in order for me to ask you to allow my bill to stand until I have an opportunity of seeing the clauses to be incorporated in the minister's bill, but if they do not cover what I am trying to provide for in my bill I shall be obliged to ask the house to proceed with it. I do not say that by way of a threat; I want to be as respectful as possible to the minister.

Mr. LAPOINTE: I am afraid the bill cannot be allowed to stand as suggested, but in order to meet the wishes of my hon. friend I will move the adjournment of the debate.

Motion agreed to and debate adjourned.

DIVORCE PROCEEDINGS

RIGHT OF MARRIED WOMEN TO ESTABLISH DOMICILE

Mr. W. J. WARD (Dauphin): Mr. Speaker, may I ask permission of the house to revert to Bill No. 31? I was delayed and could not be in the chamber when the bill was called.

Mr. SPEAKER: It can be done only by unanimous consent. Is it the pleasure of the house that we revert to Bill No. 31?

Some hon. MEMBERS: Yes.

Some hon. MEMBERS: No.

Mr. SPEAKER: Stands. The hour for private and public bills being exhausted, the house will now revert to the motion that I do now leave the chair and the amendment thereto.

[Mr. Heenan.]

SUPPLY—UNEMPLOYMENT

AMENDMENT OF MR. HEAPS TO MOTION FOR COMMITTEE

The house resumed consideration of the motion of Mr. Mackenzie King for committee of supply and the amendment thereto of Mr. Heaps.

Mr. RYERSON: Mr. Speaker, when the house rose at six o'clock I had nearly finished describing the sad experience of a number of British families who were brought to this country last summer. It is not my intention to set out in detail the disappointments and sufferings of these people. But is it any wonder they should strongly resent their treatment? I submit, sir, that the whole shameful proceedings constitute a blot upon the fair name of Canada—a blot which should be wiped out at the earliest opportunity. I do not blame the government for the manner in which these people have been deceived, or for the treatment handed out to them upon their arrival here, but I do desire to point out that in permitting and assisting in this kind of immigration the government is imposing additional burdens upon the municipalities affected, and for that reason is morally bound to assume some responsibility.

Another point which I should like to bring to the attention of the house is this: that while there are unemployment problems and trade depression throughout the world, these conditions in Canada are, in my opinion, caused by the policies of this government in tinkering with the tariff and in lowering the tariff protection in certain lines of industries, which has made possible importation of enormous quantities of products of all kinds, any considerable portion of which, if produced or manufactured here, would have furnished employment for the greater part of those who to-day are unemployed. In that respect may I point out as one example the importation of agricultural implements for the calendar year 1929. The figures furnished by the bureau of statistics show for the period named that we imported agricultural implements to the startling amount of $31,845,326. Had one-half of these implements been manufactured in Canadian plants, we would have no unemployment in my constituency. This is only one example; there are many others of a similar nature affecting different centres of industry.

Before concluding my remarks, Mr. Speaker, I desire to call the attention of the house to an incorrect statement made by the Prime Minister (Mr. Mackenzie King) in the course

of his speech yesterday which I am sure he will desire to have corrected. He stated that unemployment was of a local nature in certain provinces only, and for the province of Ontario, Port Arthur, Kenora and Toronto were the only centres mentioned. In making this statement he evidently overlooked a large deputation representing many Ontario municipalities which waited upon the hon. the Minister of Labour on February 3rd in respect to this matter. In confirmation of this I desire to quote the Brantford Expositor of February 4, 1930:

Mayor Beckett Is Disappointed
Sees Little Hope of Getting Federal Unemployment Assistance
Says Critical Time is Now, Not Six Weeks Hence

Mayor Beckett who returned with Alderman Linscott from Ottawa where they were members of the deputation waiting upon the government yesterday with regard to unemployment matters, expressed himself this morning as disappointed with the prospects of getting assistance. The mayor was one of five spokesmen chosen for a very large deputation from many Ontario municipalities. He stressed the fact that the critical time in unemployment was right now and assistance not forthcoming before a month or six weeks' time would be too late to meet the real needs. He discussed the unemployment conditions in Brantford at this time and told the Minister of Labour, Hon. Peter Heenan, that with the assurance of Premier Ferguson that Ontario would bear a one-third share of the excess cost of local improvement works undertaken during the winter as relief measures, an assurance that the federal government would bear a like proportion, would enable him to telegraph a message at once to Brantford that would enable the Brantford city council, in session last night, to provide for an immediate start on an extensive program of local improvement work. Without the minister's assurance the much needed work could not be undertaken as under the act the city and the taxpayer on whose frontage the local improvements were constructed must bear the cost in certain proportions. Under the present winter conditions the cost of such work was three times what it would be under summer conditions. The property owners and taxpayers could not in fairness be asked to bear this extra burden, and the assistance from the provincial government was conditional upon a corresponding contribution from the Dominion government.

I will not read the whole report, but will merely give the last paragraph:

Expressing his disappointment this morning, Mayor Beckett commented that "When you have got to carry politics to the length to forget about the actual needs of the citizens in the communities, it is time we got rid of politics." The need for assistance he said, was immediate, and from the result of the meeting with the minister it appeared "just a case of these politicians passing the buck, one to another."

I hold in my hand a series of resolutions from the Brantford Unemployment Association which I would like to present to the house. This resolution is dated March 12, 1930, and is as follows:

Whereas the unemployed in Brantford have found it necessary to organize an association for their own protection and whereas unemployment is the natural result of the application of power and labour saving machinery to industry,

And whereas this association is of the opinion that a system of unemployment insurance is the only logical solution of the problem of unemployment,

Therefore be it resolved that this Brantford Unemployment Association petition the federal and provincial governments to take immediate steps to enact legislation providing for a system of unemployment insurance, and be it further resolved that in the opinion of this association the provincial and federal governments should immediately take such steps as may be necessary to permit of the federal government assuming full responsibility for the relief of unemployment in all parts of the Dominion.

This resolution is signed by James Robson Humble, 68 Queen Street, Brantford, Ontario.

Mr. M. N. CAMPBELL (Mackenzie): A good deal of the discussion on the question of unemployment has hinged around the question of the relative responsibilities of the federal government and the various provincial governments. The Prime Minister (Mr. Mackenzie King) admits that the problem of unemployment is national in character, but he does not admit federal responsibility. It seemed to me that in his speech the Prime Minister attempted to put some of us who are supporting this resolution in a false position before the public by deploring the advertising that the debate gives to adverse conditions in the country. I cannot agree with such a proposition. As some other speaker said this afternoon, that is simply the attitude of the ostrich; he sticks his head in the sand and persuades himself that the problem does not exist. It seems to me that the only sane way to deal with problems of this nature is to face them; we must admit that they exist and do what we reasonably can to meet the situation. May I in this connection quote the late President Wilson:

That man is not a pessimist who, when he sees the funnel shaped cloud approaching directs the feet of his wife and children towards the cyclone cellar; but the man is not an optimist, he is a fool—nay, a criminal—who at that critical moment neglects his parental duty and stands agape rejoicing in the manifestations of nature.

It seems to me this quotation has an application in the problem we have before us.

I was surprised to hear the Prime Minister say that no representations had been made to him on the question of unemployment by the various provincial governments. At the recent conference held in the east block representations were made by three prairie governments, those of Manitoba, Saskatchewan and Alberta.

Mr. MACKENZIE KING: May I correct my hon. friend? I made no such statement; I did not say there were no representations made. I said there were no representations to the effect that the provincial governments themselves were unable to handle this question. That is what I said.

Mr. CAMPBELL: Certainly the Prime Minister conveyed that impression to the house.

Mr. MACKENZIE KING: No, not at all. If my hon. friend will look at my words he will see exactly what I said.

Mr. CAMPBELL: I am glad to accept the word of the Prime Minister, and am pleased that he has set the matter right. Naturally I was very much disturbed, the same as many other hon. members, to hear the Prime Minister say that no relief would be given to the province of Saskatchewan because there is a government other than Liberal in that province. The Prime Minister did admit, rather grudgingly I think, that he was prepared to give some assistance to Progressive governments, but none at all to other provincial governments. In other words, in order for the poor, needy people to get consideration from the federal government they must obey the dictum to elect nothing but straight Liberal governments. I wonder if the Prime Minister would treat his own constituency of Prince Albert in a similar fashion. That is the constituency from whence he derived his seat in parliament; I wonder if he will tell the needy and hungry people there that they cannot secure consideration in this parliament because of the fact that the people in Saskatchewan have a government other than Liberal.

I enjoyed, as I am sure other members did, the extracts that the Prime Minister was pleased to read from his book entitled Industry and Humanity. I agree with all the statements he read. I always like to think of the Prime Minister as the man who wrote Industry and Humanity; I like to think of him as a humanitarian, and a man whose heart and sympathy go out to the common people. But, Sir, when I place the quotations from that book along with the statement he made in the house, I wonder what to make of it.

I agree with the quotations from the book; I agree with everything that the book contains, and it was a shock to hear the Prime Minister couple with his quotations the statement that relief would be withheld from those provinces who were represented by other than Liberal governments. When one compares that statement with the idealism, the altruism and noble sentiments expressed in the book, one begins to wonder if in the physical form of the Prime Minister there are two opposing spirits; one wonders, to use a common literary expression, whether he represents both Dr. Jekyll and Mr. Hyde. However, I am inclined to agree with the hon. member for Wetaskiwin (Mr. Irvine)—as a matter of fact, I think we all do—that the exactions and nervous strain imposed upon one holding so high and responsible a position as the Prime Minister must be very severe, and it is possible that when the Prime Minister made that statement, he was not in his normal temper or his normal state of mind. I can scarcely think that he was.

It is regrettable that this question of unemployment, involving the welfare and happiness of thousands of women and children, should be considered in the party spirit we have witnessed in this debate. It is my opinion that the question cannot properly be considered in this partisan atmosphere. It is something which calls for the cool deliberation of scientists and economists; it is not for the consideration of politicians who are placed in a political atmosphere.

When we come to the question of the relative responsibilities of provincial and federal governments I certainly cannot agree with the Prime Minister or with those who claim that this is a purely provincial or municipal matter. Let us take the case of a municipality that deals effectively with the problem, looks after its unemployed and provides relief or work, and compare it with the municipality which does not care for its unemployed. What is the logical outcome? The needy who are looking for work come into the municipality where work is being provided and where the people are being looked after. I can see no way in which to avoid such a situation. As a matter of fact, how can we prevent the needy, those who are out of work, from spreading from one province to another? To my mind there is only one government that can stop the people coming into the country, and that is the federal government which has control of immigration. For these reasons I say there is no way in which one municipality or one province can deal effectively with this problem. I am not one

of those people who would lay the whole responsibility at the feet of this government—certainly not. There are great economic forces at work in the world to-day which neither this government nor any other government can control. We have to recognize that. These are world conditions, and Canada is only a small unit.

To come down to the local consideration of the question, however, and to deal with it as it affects Canada and as perhaps we might be able to control it, I would put the problem under three heads. I would say that first the trouble was caused by the recent stock market crash and the consequent reduction of the purchasing power of hundreds of thousands of people. That has had wide ramifications in industry and in finance, and naturally it has had a great deal to do with the unemployment conditions which exist to-day. Then I would say the reduction in wheat prices has had some effect, and of course that also is to some extent a reaction from the stock market crash and the consequent curtailment of buying by farmers. Under the third head I would put the large immigration into Canada during the past few years. There is no question about federal responsibility for immigration. During the last three years we took in 330,000 immigrants. The Prime Minister referred to complaints made against the government because immigration into this country was not large enough. Probably that may have been so, but I can inform him that no such complaint ever came from this section of the house. From 1922 up to the present time the group in this section of the house has protested against a vigorous immigration policy. We never took the stand that people should not be allowed into the country, but we were opposed to the activities either of the government or of transportation companies in order to induce people to come here.

May I say in connection with the number of immigrants brought in during the past year, which amounted to 165,000, that never at any time in the history of the United States was that country ever called upon to absorb so large a percentage of its own population as Canada was during last year, and ordinarily that would not be considered a very large number of immigrants to come to this country. I think the immigration into the country during the past few years has had something to do with the increase in wheat acreage, and of course that has had an effect on prices.

Then there is another question, and this of course is related to the question of the stock market. It involves the whole money system, and the question arises as to whether or not we have the right money system. The matter of inflation and deflation has a great deal to do with unemployment, with business stagnation and with distress both in the rural and urban sections of the country. The hon. member for Westaskiwin (Mr. Irvine) last night gave it as his opinion that the unemployment in England to-day was the direct result of the deflation policy adopted by the British banks in 1920. Canada adopted the same policy, as did the United States. However, we are much younger countries, with greater resources, and it did not affect us so badly as it affected Great Britain. With that assertion I agree, and I think the reason that France has been in the happier position of recent years of having no unemployment problem is due in a very large measure at any rate to the fact that she did not permit deflation.

The hon. member for Battle River (Mr. Spencer) this afternoon dealt with the question of the gold standard. The question as to whether or not getting away from the gold standard would change this condition is a very large matter. I have under my hand an article commenting on a book written by Professor Irving Fisher of Yale. In this book Professor Fisher points out that the trouble with the gold standard is that the unit of value, the measurement of value, is changing all the time. He has one remedy for dealing with the question, and the article points out that another remedy, from a different angle but involving the same thing, is put forward by Maynard Keynes, the distinguished economist of Great Britain. There is no doubt that the changing of the unit of value had a great deal to do with these problems.

Let me illustrate it in this way. We will say that a farmer secures 1,000 bushels of oats from a neighbour. The unit of measurement is a bushel, which is 34 pounds. If that unit is changing all the time, the way the dollar is changing in value, what is the result? The farmer incurs a liability for 1,000 bushels of oats, to be paid back perhaps in a year's time, but if at the end of the year, when his liability becomes due, he finds that he must pay back 1,000 bushels of oats on the basis of 60 pounds to the bushel, his debt is nearly doubled. That is the situation of thousands of farmers, business men and manufacturers to-day. Those who incurred liabilities even a year ago; those who borrowed money or incurred any kind of liability and are forced to-day, under deflation conditions with a slightly different unit, to pay back very much more than they actually borrowed.

Then the article goes on to say that Professor Fisher has recently issued a statement

in which he gives it as his opinion that we are in for a period of low prices, business depression and unemployment. Professor Fisher states that the amount of gold that is being mined to-day is not sufficient to keep our currency up to the standard of our statutes, as far as maintaining the gold standard is concerned. He points out that the demands of commerce and industry for gold are very great; a large percentage of the gold mined is used in the filling of teeth and the making of jewellery, and there is not sufficient gold left to meet the requirements of our statutes in order to maintain a gold standard. Because of that fact, Professor Fisher points out that we are facing a period of low prices, of business stagnation, unemployment and distress.

Does that not seem an absurd situation? Let me put it in this way, to reduce the proposition to an absurdity. Supposing there were no gold mined at all; supposing all the gold mines in the world petered out and the production of gold ceased. Would that mean that if I have wheat to sell and some other man has clothing to sell, there is no medium of exchange by which he can buy my wheat and I can buy his clothes? That is exactly what it means, so long as we maintain this rather ridiculous system. Of course the gold standard is something like the British constitution, a thing which does not exist; because as a matter of fact we never have maintained the gold standard; there is not gold behind our currency as there is supposed to be. Our statutes are fairly flexible, and that is the only reason the system is workable at all. However, it does seem time that we began to inquire into this matter in order to try to get a permanent unit, something that would not be varying from day to day and causing all these business disturbances.

In a general way the unemployment problem is a result of the increased efficiency of the machines. There is no doubt about that, and that again is something governments cannot control and would not control even if they could. Let me again illustrate it in this way: Take the hypothetical case of say 1,000 people living on an island, with no contact with the outside world. We will say they have a perfect division of labour so that each person supplies his quota in the interests of the community. We will suppose that ten men have the responsibility of supplying the community with food. If these men invent a machine which will reduce their hours of labour, or which will do the same work with two men instead of ten, would that mean there would be eight men doing nothing and being fed by the community? In a properly ordered community these extra hours of labour would be absorbed back into the whole community, and the hours of labour would be distributed all around and shorter periods of work would ensue. If they worked full time, some of the time previously expended could be used as extra time to produce luxuries and other unnecessary things. Of course, this is the idealistic way of considering this matter. We do not want to destroy the machine because an efficient machine is simply making a slave of the machine instead of the man; it is producing with less labour, but there is something wrong with our system when an efficient machine which does away with human labour is responsible for a great deal of unemployment, which in turn is responsible for misery and distress.

I believe that immigration has had a great deal to do with unemployment. I would like to read a report which appeared on February 28, in a Swift Current newspaper. This deals with the evidence given before the Saskatchewan royal commission on immigration, as follows:

> J. S. Laycock, mayor of Swift Current, stated that in his opinion all immigration should be discontinued for a period of three to five years, or at any rate until the country had a chance to absorb and find employment for those already here. He was not opposed to immigrants coming to the country who had sufficient capital to establish themselves on the land and who would not become a charge on the province.

That gentleman went on to say that it would cost the town of Swift Current this year $5,000 for relief, and that is a very small town. He used some other pointed expressions regarding immigration. At the same sitting Mr. F. G. Westlake presented resolutions on behalf of the board of trade of Swift Current, which resolutions opposed immigration of any kind except in the case of those persons having sufficient capital to establish themselves and carry on without assistance. I cite these extracts as examples of the evidence presented before that commission. I would like to quote an editorial which appeared in the Manitoba Free Press on March 6, dealing with the recent immigration conference at Ottawa. That editorial refers to the statement made by the Prime Minister that unemployment was not a federal matter, but rather a matter which belonged to provincial and municipal governments. This editorial points out that recent immigration is a tremendous factor in unemployment. I quote:

> For instance, Vancouver testified that 70 per cent of the men on its register were immigrants brought out here under some form of assisted immigration, and 58 per cent had been here less than five years.

Calgary testified that 28 per cent of those unemployed were born out of Canada, and had come out to Canada during the past two years. The editorial refers to the fact that a very large proportion of the unemployed of Winnipeg were ex-service men, and it says:

Saskatoon declared that 40 per cent of the unemployed there were immigrants who should have gone on the land.

The editorial concludes:

—the general agreement seeming to be that 70 per cent of those on the list had been in Canada less than five years.

I realize that the government lately has changed its policy with regard to immigration, but even so I do not think the fact can be overemphasized that immigration has had a great deal to do with the unemployment problem, and I think this matter should be placed before the government for their future guidance.

Under the policy previously followed we have gone out into the highways and byways and pleaded with people and have done everything we could to induce them to come to this country. We have been doing our best to borrow the most terrible of all problems, the problem which confronts Europe and Asia, that of over-population. Canada should prize her free, open spaces, and should not be ready to give away the heritage of her people.

One of the causes of unemployment is the fact that the farmers are not purchasing as much as they did previously. One reason for this, although not the only one, is that agriculture has been made the shock absorber for the whole immigration policy. A deliberate attempt has been made, not only by the government, but by the transportation companies, to stimulate agriculture artificially, and when you artificially stimulate any industry or calling, whether it be agriculture, manufacturing, or professional work, you throw the whole economic machine out of gear. Organized skilled labour has been able to hold a club over the head of the government, and it has been able to say: You must not bring in men to compete for our jobs. The unskilled labourer and the farmer are not so vocal, they are not so well organized; consequently their industries have been forced to absorb the vast majority of the immigrants. I contend that the policy we have been following in the past is not only unjust and unfair, but it is unsound and uneconomic as a national policy. It would be just as fair and reasonable to advertise for doctors, for lawyers, for school teachers, for manufacturers and such like to come in and help develop this country, as it is to bring in farmers. I wonder what the hon. leader of the opposition (Mr. Bennett) and his colleagues would say if we advertised in the newspapers of the United States and Great Britain in an effort to induce lawyers and professional men to come to this country and compete in their professions. There would be a terrible outcry from the members of those professions if anything like that were done. The farmer has not been so well organized, he has not been so vocal, and therefore his industry has been made the shock absorber.

Mr. WARD: In that case we might get cheaper legal services.

Mr. CAMPBELL: Perhaps we might, although I was referring to the complaint which would be raised by the members of the legal profession.

I think it was about a year ago that I read a statement by the present Minister of Railways (Mr. Crerar) in which he said that Canada soon would be producing a billion bushels of wheat per year and would have no difficulty in disposing of such a crop. Perhaps he was right and Canada soon will be producing a billion bushels of wheat, and perhaps she could sell it all, but at what price? That could be done within a reasonable time only by reducing our Canadian farmer to the position of a serf, and in that process business generally and the ordinary workingman would suffer to the same extent. A serf on the land cannot buy the products of the factory, business generally would suffer, and there would be unemployment and distress throughout the country. Because of the recent drop in wheat prices, unemployment and distress have occurred and business stagnation is general throughout the country. A statement with respect to a billion bushel crop may sound impressive; it may read fine in the newspapers and bring applause when it is made before a Canadian club, but I say that that can be brought about only by a reduction in the cultural, educational and economic standards of the men and women who live upon the land. I might add that it can be brought about only by a reduction in the moral standard, because you cannot reduce the economic and educational standards without a like reduction in the moral standard. The standard of living upon the farm cannot be reduced without a like reduction in the standard of living in the cities.

Russia has placed recently an order with the United States for $500,000,000 worth of farm machinery. That country to-day is engaged in the most ambitious project of development and of production perhaps ever

undertaken by any country in the history of the world. She proposes within the next few years to put under cultivation an additional 30,000,000 acres of land. Russia must produce an exportable surplus in order to pay for this machinery. That is a factor to be taken into account in the consideration of an immigration policy, and when we talk of breaking up more land and bringing more people into the country.

The new immigration policy recently announced by the minister is rather late. It seems to me it should have been put into effect many years ago. May I point out that to the extent to which we provide remedies to alleviate conditions in this country, to that extent will other people come in and try to absorb those remedies, and it may be necessary to provide an immigration policy that will protect our working people and farmers from too much outside competition. I have under my hand an article which appears in the last issue of the Financial Times. It is written by Mr. R. J. C. Stead, who, I understand, is publicity agent for the Department of Immigration. Mr. Stead points out that in 1900 Canada produced manufactured goods to the value of $481,000,000. In 1927 this figure had risen to $3,425,000,000, or an increase of 700 per cent. In spite of the fact, however, that the value of manufactured products increased by 700 per cent in the twenty-seven years, the number of employees in the factories increased by less than 100 per cent. He pointed out that Canadian agricultural products in 1901 were valued at $572,000,000. In 1927, only twenty-six years afterwards, this figure had risen to $2,224,000,000, or an increase of 400 per cent; but notwithstanding the large increase in the output, the rural population had in that time increased by only 33 per cent. He pointed out what I have already mentioned, that while there are complaints—and he was answering some of them—that the government was not bringing in a sufficient number of immigrants, never at any previous time in the history of the United States had that country been called upon to absorb so many immigrants in proportion to their own population. Mr. Stead further pointed out that since 1920 there was an increase of 22,388,000,000 tons of freight handled by United States railways. That is an enormous increase in the short period of nine years, but he pointed out that in spite of that huge increase there had been an actual reduction of 366,000 in the number of workers employed in that period.

My point is that Canada is capable, with the new and more efficient machinery we have, of making tremendous progress to-day with her own natural increase in population. Of course I am not advocating the shutting of the door. As regards those who have the money to establish themselves and who wish to come in of their own volition, I have no objection to seeing them come in, but we should stop now, henceforth and forever all efforts by advertising and special inducement to bring people into this country. The trouble with the policy that we have been carrying on in the past is that it did not take into consideration the social and economic welfare of the people who were already here. Any immigration policy, present or proposed, should have as its only object the welfare and happiness of the people now in Canada. I quote from a recent newspaper dispatch some observations made by Professor Ottewell of the University of Alberta before the Canadian Club in Montreal:

> Speaking before the Canadian Club in Montreal, A. E. Ottewell, of the University of Alberta, warned the capitalist class of the results that will flow from power farming, and advised that immigration should be curtailed in order that the farmers who were driven from the soil might find employment. He also advocated that "schools, churches and all social institutions should be overhauled to meet the new requirements."

Another newspaper article, dated at Winnipeg, November 29, in part reads:

> Prof. A. R. M. Lower of Wesley College, Winnipeg, in a recent public lecture declared: "We have no need of immigration to increase our population, and if immigrants in large numbers continue to come to us there can be but one result. Our own people—those who are born in this country—will have to go away. The presence or absence of immigration will not affect in the slightest degree the rate at which this country will grow."
>
> "For sixty years," Prof. Lower proceeded, "we in Canada have been receiving so many immigrants that we have had to embark a large proportion of native-born for the United States. This proves that, in five years out of six we have had more than sufficient man power.
>
> "'Cheap' men will always drive out 'dear' men. The man who is willing to take the least stays here; the other goes away. About 1,000,000 persons, native-born and immigrants, have left this country for the United States in the last seven years. This simply turns us into a training ground for United States citizens. The advent of the immigrant lowers the standard of living and makes the opportunities to the south of us loom larger in the eyes of the native-born.
>
> "Artificial accession by way of immigration is at least only so much waste effort—at worst, a form of racial suicide."

May I refer hon. members to a very interesting book called Mankind at the Crossroads, written by Professor East of Harvard university? Professor East lays down the

doctrine that population tends to increase with available food and land supplies and opportunities existing within the country. His doctrine conflicts rather with that we call the Malthusian theory, that put forward by Professor Malthus of Oxford. In this connection may I quote some figures from his book? Professor East gives the rate of increase per thousand of population in the various outstanding countries of the world, and he also gives at the present rate of increase the number of years it will take the respective countries to double their population. The figures are as follows:

Country	Number of years to double population
France	436

France as we know has an almost stationary population.

Norway	105
Sweden	83
Austria-Hungary	82
Spain	80
England	67
Japan	64
Holland	57
Germany	51
Roumania	47
United States	38
Australia	34
Canada	24

Canada, because of its opportunities, increases the most rapidly in population. Professor East states that if Canada can support 60,000,000 people she will do well, and he says that she will approach that number in less than three-quarters of a century. The crux of Professor East's argument is that immigration does not and cannot increase the population; that to the extent to which we bring people in and absorb them in this country, to that extent we either drive our own people out or prevent their natural increase. That is a very interesting theory, and it is well worth considering.

The Prime Minister in his speech seemed to fear the demands on the treasury which would result from any federal measure of unemployment relief, and objected to taxing the people to assist the provinces to that end. He stated that his government, the Liberal government, was elected on a platform of economy, and he objected to taking money out of the federal treasury for the purpose of relieving unemployment. I have just the same objection as the Prime Minister has to taking money out of the treasury, but if he examines the public accounts he will realize he will save enough money for this purpose if he will practise economy in other things. If economy is the policy on which his government was elected; if that is the policy of the Liberal government, I would suggest that he practise it a little. Take for instance the expenditures on the Governor General's office, Rideau Hall and so forth: this year it cost nearly $441,000 and since the present government took office there has been a steady increase. Surely we could cut that in two and save a quarter of a million dollars. These figures are not final, because we spend on vice-regal cars a great deal of money which is charged up to the Canadian National Railways and which does not show in the public accounts. Last year we spent $149,000 on the citadel at Quebec. This has been discussed here so often that I do not wish to weary the house with it now, but the figures are startling. Their Excellencies, I understand, spend only about two or three weeks in the summer at the citadel, and yet we find this enormous expenditure of money. Let me give one or two items in the list of expenditures for the Quebec citadel, taken from the Auditor General's report for 1928-29:

Carpet, 1,871¾ yards $10,036.09
(Purchased from the Brinton-Peterborough Carpet Company, Peterborough.)

There is also an item for renovating and plastering the ballroom, at a cost of $7,712. It seems to me that when women and children are suffering because of unemployment in this country, we could very well do without these expenditures. The ballroom, I suppose, would be used only two or three times in twelve months. If the Prime Minister would go over these expenditures, he would easily find where he could save money enough to relieve unemployment without dipping into the treasury.

Take the expenditure on automobiles for the government, which was mentioned by the hon. member for South Wellington (Mr. Guthrie). That expenditure has been increasing steadily year after year, and the Auditor General year after year has been complaining about it. May I read a note, under the heading of automobiles and operating costs, in the introduction to the public accounts of 1928-29. The Auditor General states:

> The total expenditure in connection with new automobiles and automobile repairs, renewals, etc., but not including cost of gasoline and lubricants, amounted to $634,549.10, an increase of $92,622.46, or 17 per cent over the expenditure of 1927-28.

The Auditor General goes on to comment on that increased expenditure and to plead for a reduction. He made the same sort of comment in the public accounts of last year. He complained of a similar increase over the

year before. I commend that to the consideration of the Prime Minister as a means of saving money to provide for the relief of the needy unemployed without increasing taxation at all. Undeniably there is unemployment in the cities and destitution on many of our farms. As a matter of fact, in western Canada to-day the land is rapidly passing out of the hands of those who toil on it. I do not know about the eastern provinces, but in western Canada landlordism and tenantry is almost as bad as it is in Europe. Those are conditions that we dislike to mention, but there they are, staring us in the face, and there is no use running away from them.

I agree with what was said by the hon. member for Comox-Alberni (Mr. Neill) as to the effect of poverty itself. Some people are accused of a lack of thrift, but their condition more often than not is the effect of poverty rather than the cause of it.

Mr. J. C. BRADY (Skeena): Mr. Speaker, I rise with very much pleasure to support the amendment of the hon. member for North Winnipeg (Mr. Heaps) and his plea that immediate action be taken by the government in regard to unemployment.

Unemployment is not confined to Canada. It is a problem which we must all acknowledge belongs to every country in the world, and it is receiving the attention of statesmen everywhere and of legislatures the world over. In Canada we see, on the one hand, every mark of prosperity and wealth; we see millions of dollars passing in and out of the country for imports and exports; we see our trade and commerce expanding; we see thousands of our citizens living in security and sometimes in the lap of luxury; but, on the other hand, standing idle in Canada to-day are hundreds of thousands of our fellow citizens, the very rank and file who are producing the wealth from which the nation benefits. They are physically able and willing to work, but the opportunity for work is not there. Others of our citizens, though at present engaged in work, have at all times the dread of unemployment hanging over their heads like the sword of Damocles. These, Mr. Speaker, are just the simple facts. The fear of unemployment is the most tragic and appalling problem that besets the great mass of men and women to-day. It is the paramount evil in the workman's life. His livelihood, his savings, his family, everything that is dear to him, is very often threatened by unemployment. His one great fear is that he will be out of work. The right to work, the right to get a fair wage for work, the right to earn the necessities of life, is the privilege of every man. It is based both upon divine and civil law. The causes of unemployment the world over are so numerous and varied that it would be impossible for me to enumerate them. I shall therefore attempt to speak only of the causes of unemployment in Canada itself as I see them, and before I conclude I shall offer what I believe to be the solution of this problem, or one that will at least reduce unemployment to the minimum in Canada.

We have the common accidents of life. We have sickness. We have casual and seasonal unemployment. We have the irregularity of large public works being carried on at intervals by the provinces and by the federal government. We have the closing down of industrial plants. We have new industrial methods developed in the interests of efficiency to increase output, with a consequent decrease in the number of workmen employed. We have likewise within Canada to-day the slow but steady destruction of our primary and sometimes of our secondary industries. We see this country being flooded by manufactured goods in an enormous volume, the great majority of which could be manufactured here. We are sending out millions of dollars—nine hundred million dollars went to the United States last year—for manufactured goods. Seventy per cent of this could be kept within Canada to build up our industries. I am simply stating facts as I know them. Unemployment, greater or less, must always be found as the natural corollary of our modern industrial system. Never can unemployment be eliminated; it is a by-product, it is the very shadow of our modern industrial life. But by a study of the causes of unemployment in any given locality, in any given province, or throughout the whole Dominion, and by the cooperation of the employer and employee, the provincial and the federal governments, ways and means can be found to reduce this unemployment to a minimum.

To make my position clear on this matter, I wish to say, Mr. Speaker, that I firmly believe it is a sacred duty, incumbent upon this parliament, sedulously to watch for and provide ways and means to cope with the unemployment problem which is increasing in this country to-day to such an alarming extent. In the middle ages, labour was mostly agricultural and held in bondage by the feudal lords, but in the towns and cities it was controlled by the guilds. Later the state took control and began to interest itself in labour. You will recall that in England the Statute of Labourers was enacted which restrained workmen from wandering around the country, and likewise set the rate of wages,

and these wages they were obliged to accept. But with the rise and development of modern industry the whole aspect of labour changed, with the result that the character of the relationship changed, and it has been recognized by every commisison that has investigated labour conditions that the obligation to reduce unemployment rests, not upon a municipality, not upon any particular division of the commonwealth, but upon the commonwealth as a whole. In other words, unemployment is a national reseponsibility. Yesterday the Prime Minister (Mr. Mackenzie King) endeavoured to limit the significance of the word "national", just as later he also endeavoured to limit the significance of the word "state," to a province merely. I do not accept the limitation, Mr. Speaker, and I feel there are many reasons why this parliament should take part in reducing unemployment throughout the whole dominion. In proportion as the state receives wealth from labour and from industry in the form of income and other taxes, and as the federal Minister of Labour is concerned with labour throughout all the provinces, it is but right that this parliament should take appropriate action so that every man who is physically fit and willing to work should be given at least a fair chance of obtaining employment at good wages.

Now, Mr. Speaker, I want to get before the house what I believe is recognized by the great masses of the people to-day to be fundamental. Our present government—I want to get that home—our present government is responsible for something that is not only a tragedy, it is a shameful blot upon our fair Dominion. In what way, I am asked. I reply, many of Canada's sons and daughters are leaving the country, as every hon. member knows, simply because they cannot get employment within her boundaries. And sir, for the last two days we have been trying to shift the responsibility for unemployment and throw it to the four winds of heaven for the league of nations or some other body to take up. I was surprised when I heard the argument advanced that unemployment was a matter that did not concern this parliament. England is a thousand years old, and is it any wonder that she should have unemployment; is it any wonder that after those many years with her intensive industrial life that unemployment prevails there? But when you come to Canada, a young country of great natural resources, to which the eyes of Britain are looking in the hope that Canada will assist in solving some of her problems, what do we find? We find that Canada herself is unable to cope with this problem of unemployment. I think we should bow down our heads in shame to be paraded before the empire and before the world at this hour as a country unable to cope with it. Is it not humiliating to reflect that with our small population and our great natural resources we cannot give to our able-bodied, physically fit men the right which is theirs to do a day's work and so get an assurance that at least they will be able to provide their wives and children with the necessaries of life?

I have heard yet no argument advanced by the Prime Minister, nor by the Minister of Labour, nor by any other hon. gentleman that would cause me to change my view that unemployment is a national problem, that is, a problem for the federal authorities to deal with. In their efforts to shift the responsibility to the provinces the municipalities they have moved around in a large circle, but on no occasion have they come out and declared the faith that is in them. I honour a noble opponent, I respect the man who differs from me politically, but I want to know exactly the basis of his political faith. During the past year while crossing Canada I have watched deputations of the unemployed and on the city streets I have noted the crowds waiting patiently for work, and the sorry state of affairs has always brought to my mind a countryman of mine, Oliver Goldsmith, who at a period when something similar was happening to his country, wrote these lines:

> Ill fares the land, to hastening ills a prey,
> Where wealth accumulates, and men decay:
> Princes and lords may flourish, or may fade;
> A breath can make them, as a breath has made;
> But a bold peasantry, their country's pride,
> When once destroyed, can never be supplied.

More governments have been defeated by failing properly to estimate public opinion upon vital questions concerning the well-being, happiness and material success of the people than from any other cause. I wish to say to-night that such a question is before the people of Canada, one which concerns their well-being, their material success and their happines. I may recall to the house an occasion somewhat similar to this in 1910 when Sir Wilfrid Laurier, doubting the advice of his friends, decided to go west and learn the state of public opinion in those western provinces. Therefore, in the months of July and August he crossed western Canada. Here was a popular man, one who had won the respect of all, welcomed by foe as well as by friend through the years of his political life. What did he find? He found that instead of admiration he was received with cold criticism; in place of applause he received silence, and

the result was that before the election of 1911 came he anticipated exactly what was going to take place. He found at that time, as I believe the present government will find when it goes to the country, that the voice of public opinion was against the policy which his government was pursuing. Agriculture is the key industry of Canada; my friends opposite will no doubt admit that. Moreover, it is not merely a key industry; it is a vital factor in times of national defence; it is at all times the basis of material welfare of the people of Canada. That being the case, let us look at a few very important facts to illustrate what I said a moment ago. Agriculture, the great primary industry of Canada, has been strangled by the action of this government. Do you want proof to show where we are drifting in regard to this basic industry? If that is what you wish, I will quote figures. In the last ten years the animal products of Canadian farms have decreased from $156,000,000 down to $55,000,000. In 1920 Canada was an exporter of every principal animal product, but to-day our Dominion is an importer of bacon, butter, mutton and lamb. The export of other animal products at the present time is a mere fraction of the 1920 figure. An outstanding fact is, to my mind, that for the first time in forty years Canada's exports of bacon to Great Britain are nil; yet the United Kingdom imports annually over 900,000,000 pounds of that particular commodity.

Why pursue what we all know to be the case? It would not be in order for me to attempt to alter the viewpoint of those who persist in saying that the fiscal policy of a country plays no part in the solution of the unemployment problem. I wish to say that if we could keep within Canada 60 per cent of the $900,000,000 we paid out during the last year for manufactured goods imported from the United States we would not have an unemployment problem to-day, and we would not be faced with the amendment which is presented for our consideration. On that point I wish to say that as far as I can see, after reading the steps that have been taken in other countries in regard to social legislation and unemployment insurance, there is merit in the proposal. It draws to the attention of the government, the employer and everybody concerned, the importance of solidifying industry. Marine and fire insurance, when first introduced, did not have the expected results which were later realized, yet we find over two-thirds of the expected fires did not take place; the same may apply to unemployment insurance. If that be the case I see great merit in this particular insurance scheme. Yet we heard the Prime Minister put forth yesterday the argument which precluded the possibility of this parliament having anything to do with the relief of the unemployment problem.

Before I speak about the Prime Minister I would like to say a word to the Minister of Labour (Mr. Heenan), and I shall try to speak in a way which, owing to his genial nature, he will understand. When he made the speech the other evening covering such a wide range of subjects, and to a great extent subjects which were very remote from the problem before him, I was reminded of an Irish story. An Irishman went to Australia, and while there he saw the Australian parakeet for the first time. It is a beautiful bird with golden plumage and variegated feathers. This particular bird was sitting in a tree, and the Irishman became so interested and absorbed in the beauty of the bird that he determined to catch it. As it was in the suburbs of the city he climbed the tree, and when about to put his hand on the bird he heard the remark, "Hello, what do you want?" The Irishman thereupon lifted his hat and said: "Oh, excuse me, sir, I thought you were a bird." Until the other evening I thought the Minister of Labour was the Minister of Labour, but now I would call him the Minister of laissez faire, because I think he very nicely went over a delicate problem and left it untouched.

Furthermore, coming to the speech of the Prime Minister, I think he did not realize the gravity of the situation as the people of Canada see it to-day. Before I go on with that point, I wish to draw attention to a state of unemployment which I know particularly well, and which exists in my own part of Canada. We have among the fishermen of British Columbia the finest and most daring body of men in the world. They are out on the stormy waters in the depths of winter, dashed and lashed by the infuriated gales, in quest of what? They are there in order to secure the rich products of the sea, bringing it into port in order that thousands of people in their luxurious and well looked after homes can sit down and enjoy that food. What is this government doing for the fishermen on the Pacific coast? I will tell you, sir, that there is an immediate way to stop unemployment and to help Canadian men give a little more comfort to their wives and children, to which they are entitled. Why, sir, we always believed that beneath the British flag we found not merely justice and equity but consideration on the part of those who were in power. The fishermen of the coast, in their very own harbours, have to pay two cents a pound on halibut which is taken out in

bond and sent to the markets of the United States. Furthermore, they are being threatened with an extra 5 cents per pound on this frozen halibut. Right now, Mr. Speaker, I should like to say that if the Conservative party, to which I have the honour to belong, were in power it would not be more than twelve months before the men at present unemployed would be working, and in five years from now not merely would every man be employed but we could employ one million more of our own kith and kin. It is no use disguising the fact, sir, I will go further and say that under our present policy the government of this country, to use a simile understood by all, is taking the ship of state down a stream whose loud and resounding roar indicates that there are cataracts of danger ahead, not merely for Canada but for the empire as well. That is a statement the truth of which any man who wishes to examine matters will see for himself.

Now, sir, the next step is to turn to the Prime Minister's statement, and I wish to say that it astonished everyone. I see the hon. member for Weyburn (Mr. Young) would like a little story, so I shall tell him one. A gentleman was caught by his wife kissing the cook.

Some hon. MEMBERS: Oh, oh.

Mr. BRADY: Is that unparliamentary? His wife said to him: "John, you surprise me." He had a little more knowledge of grammar and of correct speech than she, so he replied "No, my dear; you are astonished, but I am surprised." When the Prime Minister last evening made to this house and flung to the four winds of Heaven the terrific pronouncement that he would not give five cents to a province that had a government that was not Liberal, I was astonished, and I want to say that the very dykes that he has been standing behind, and which were supporting the Liberal party in Canada, were swept away by public opinion, and the flood waters of indignant public opinion were let loose over the Liberal party. I do not want to exaggerate, but I will tell you the effect produced by the words of the Prime Minister last evening. He stood representing the Liberal party, which is the supposed party of freedom for democracy, but no oligarch of Russia; not even Alexander of Macedonia, that savage king; not the tyrants of Syracuse; not even the Roman dictators ever held a bludgeon over the heads of their people equal to the threat made by the Prime Minister last evening. Why, sir, he delivered an ultimatum last night to Canada, and as he stood there I was reminded of days during the time of the ancient Roman empire, when the plebeians of that time were whipped by officers and forced to cry out in the market place, "Non habemus regem, nisi Caesarem" in other words, "we shall have no king but Caesar." They were flogged to declare before the world that everything was all right with Rome. Last evening the people of six provinces that are not flaunting the flag of Liberalism were told to cry out, "we shall have no king but the Prime Minister, who sits in Ottawa to-day." That is exactly the message that he tried to inculcate; and now I see a little behind the scenes. Is it any wonder that in districts and constituencies that were not supporting the Prime Minister we found it most difficult to obtain from the Minister of Public Works the needed requirements which would help unemployment in those parts of Canada? This is an absolute corollary to the statement of the Prime Minister. He said last evening something so unusual in the annals of the great Liberal party, something so unusual in the annals of every great party of any country, that we must wipe out this insult if we are true to our principles and to that which we hold highest and dearest. That is, that no matter what party we belong to, the party of power will be impartial and will do what they feel they should do, whether or not the representatives of any part of Canada belong to that party. That is what our party would do, and furthermore I wish to say that if I could not believe that the Conservative party when they come into power would be able to bring back Canada to her righful place within the empire I would unhesitatingly sever my connection with that party. Should this government remain in power longer we shall have gone too far down the precipice and it will be difficult to retrace our steps and build up this country. This offers food for reflection. Unemployment is undoubtedly something which should concern us all; it should be paramount to every other consideration.

The great mass of the ten million people in this country, those who rear their families and give stalwart sons to Canada, are waiting to see what political party is able to build up this Dominion and take from our natural resources that which will enable them to live. What a pallid page is offered for the people of Canada to read in the record of the Liberal party during the last six years! It is a pallid, wane page of weak endeavour and of hopeless incapacity to realize the great possibilities open to them had they been true and faithful to their trust.

When our party returns to power, as I believe it will, it will be for the salvation of

Canada and the empire. I have no political bias, but I believe, as the majority of Canadians believe, that the future destiny of Canada, at least for some years to come, is linked and bound up with the Conservative party.

Mr. T. W. BIRD (Nelson): Mr. Speaker, I always listen with great pleasure to the hon. member for Skeena (Mr. Brady). If the force of his argument were equal to the charm of his Irish eloquence, it would be unnecessary for me to rise in my place, but I am afraid that something more needs to be said.

Representing as I do a constituency which is speedily becoming industrialized, I could not permit this opportunity to pass without giving my point of view. At the outset I desire to say that I will endeavour to make my remarks as uncritical as possible, but I would like to use what persuasive powers I have to influence the government to change its attitude on this question. I think that what the Prime Minister (Mr. Mackenzie King) and the Minister of Labour (Mr. Heenan) have said is true, that Canada, like most countries, needs to be educated regarding this question. I am afraid that the fact that we are not educated has had some bearing upon the attitude adopted by the government. It seems to me that a government should be a leader of public opinion as well as a follower. I have said already this session that governments tend to follow the line of least resistance, and I am afraid that the unemployed worker belongs to a class which is practically a political nonentity, an unorganized class, and one which has no means of bringing its political power to bear effectively upon this house. Possibly the unemployed themselves are to blame, but it seemed to me a very significant thing when I heard that Tom Moore, the leader of organized labour in this country, was not in favour of any move being taken along the lines of this amendment. Upon that fact I think there hangs a tale. The aristocrat of labour, like the government, has very little real feeling—

Mr. HEENAN: I know the hon. member does not desire to say anything which may be in error. I do not know that Mr. Moore ever has said that or has been accused of saying it. The only reference to that question is the fact that the Trades and Labour Congress of Canada endorsed the action of the government in not calling a conference.

Mr. BIRD: Still my point has force, that we have a class of workingmen in Canada which is not organized, a class which finds itself in the queue at the soup kitchen. These men are large in number, but they are not organized; they have no means of making their position felt in the house; they have no one to lobby for them in Ottawa.

The unorganized classes, whether they be farmers or labourers, must learn a lesson: that there is only one way in which they can get justice from the powers that be, namely, through organization. I see very little hope of the unemployed receiving consideration from any government until they become organized so that their diffused power may be focused. There is a good deal of inertia to be overcome among all classes in this country.

A few years ago a prominent public man in the United States said that if ever that country had a revolution it would be produced not by the bolsheviks but by the boneheads. The bonehead constitutes a very large class in any industrialized country, and that class is made up of many varieties. One variety is composed of people who are moved by crass stupidity in regard to social and economic matters. I have actually heard pious people quoting the Scriptures in order to prove that the solution of the unemployment problem was hopeless because the Author of Christianity once upon a time said that the poor will always be with us. That is one kind of attitude which still obtains in almost every industrialized country—a hopeless, stupid outlook upon this question. There is also what I would describe as the Pharisee in modern economic life, the man who says: If a man is unemployed he has nobody to blame but himself; it is his own fault. Does anyone deny we have that class in Canada? You can find in every city and town the man who, with a superior air, says that if a man is unemployed it is his own fault. I remember years ago reading the life of Will Crooks, one of the first labour members at Westminster. That story of Will Crooks' life cured me of that attitude. He was a man representing the best type of British workman who in his young married life walked the streets of London day after day, and only by an extraordinary amount of will power saved himself from going over the precipice and becoming one of London's unemployables.

There are other attitudes which have been taken. There is the attitude taken by the Prime Minister the other day. I know the Prime Minister is not a stupid man; I would not classify him with people who are labouring under traditional views on this question, but just the same his speech was a real disappointment to me, a disappointment all the keener because some of us saw that speech on the background of the Prime Minister's

own mind, a mind that is illuminated with modern economic truth; and I say that a speech such as he delivered the other day was on that account all the more lurid in its deficiency. As I analysed the speech as he went along, I found he gave seven arguments against doing anything immediately for the unemployed in this country. Each of those arguments individually was to me very unconvincing. Collectively they lacked logical coherence; there was running through them no thread of reason. I have not time to-night to refer to them in detail and if I had it would possibly be superflous, because others have adequately dealt with them. Some of those arguments were very far-fetched. For instance the Prime Minister said that stressing unemployment conditions would act detrimentally upon the flow of capital to Canada. That is a far-fetched argument; it is an unworthy argument, because, after all, capital does not enter into the same category with suffering human beings. But from another standpoint, as someone said this evening, it is not right, it is not safe, to hide an evil. It is not safe to talk in quiet tones about something that is festering in the body politic. When the Prime Minister said that, he reminded me of the refined old lady who died of gastric trouble. The reason she died was because she always told the doctor she had a pain in the chest; she was ashamed of saying where the pain really was. If we Canadians get into the habit of covering over, glozing over, the social evils that are corroding our national life, the possibilities are that those evils will presently become a focal point that will gradually poison our social life. A labouring class—and I dislike using that term—that is well taken care of, that is relieved of its fears, is in any country one of the things that will attract not only capital but everything else we desire to have as a country.

Some of the Prime Minister's arguments were, if not far-fetched, plausible. I am not going to enter into a discussion in regard to the British North America Act because I think that has been very well dealt with. But there was one argument that struck me as being altogether misplaced and it was this: the Prime Minister said: If we yield to this plea it will mean favouring one class of the community, namely, the labouring class, but the farming class and the professional class will be left out in the cold. I have only one way to answer that and it is this: that the attitude, the spirit, that is out to readjust industrial conditions in this country is the attitude, the spirit that will ultimately adjust farming matters. Fundamentally the farmer and the industrial worker stand upon common ground. Any attempt to divide their interests can be successful only so long as those two classes do not understand wherein their interests lie. In fact, I cannot see any hope for either the farmer or the industrial worker until they understand the common ground upon which they stand. The spirit in which we in this corner are supporting the industrial worker is identical with the spirit in which we support the producer. After all, it is the attitude, the spirit, which counts.

As to responsibility, the Prime Minister, while recognizing the problem, tried to escape the responsibility. As I view the matter, as I have heard the causes of unemployment discussed in this debate, every cause of the condition we have been referring to points to the national parliament. The problem is a national one, in the only sense in which the word "national" can apply. I am not going to enumerate to-night the causes of unemployment because I would be merely going over ground that has already been traversed; but each cause that has been discussed during this debate resolves itself into a question of policy that belongs to the federal parliament. I do not know of any single cause of unemployment that belongs to any particular section. Take it, for instance, from the point of view of the Conservatives to our right. They say that unemployment is due to the policy of low tariffs that is formulated in this house. It seems to me that a Conservative government when in power would, by the very force of its own position, have to formulate a policy for unemployment. They recognize the unemployment problem as originating here. But the same logic applies to my friends the Liberals. However much they try to shirk the inference, we know that the enactment of a fiscal policy either one way or the other will displace labour in this country; there is no question about that. This house wields an instrument which is potent for good or ill to the labouring men. If you raise the tariff, you certainly put men out of work. If you lower the tariff, you certainly put men out of work.

Mr. MACDOUGALL: Why?

Mr. BIRD: That question has been answered so frequently that I would have thought my hon. friend's education would have been, by this time, well advanced along that line. We cannot escape the logic of the situation. My hon. friend says that he represents labour in this house, and I accord to

him the honour which he claims for himself. Let me read the pronouncement of one of the most outstanding labour men at the present time. In my opinion he is one of the most sincere labour men in Great Britain, a man who has suffered a great deal for his principles. I refer to Hon. Mr. Lansbury. In regard to this very question that my hon. friend has interjected he says, speaking of the Labour government of which he is a member:

> We also tackled the question of free trade and tariff reform, taking our stand that neither of these shibboleths could ever be a solution of the poverty problem. We pointed out that in this land, under free trade and free competition, women, children, even babies were exploited; that slums and workhouses, mental asylums, and all social disorders of our day were the accompaniments both of protection and free trade. We also proved that the state and municipal socialist action was absolutely necessary to curb the terrible social evils which, during the days of free trade and protection had grown up in the great industrial centres owing to the reckless manner in which trade and industry were carried on. We argued that neither tariffs nor free trade do secure decent standards of life for our people.

I think that is a sufficient answer to my hon. friend, because while I accord to him the privilege which he claims of representing labour in Canada, yet at the same time I think the Hon. George Lansbury is an authority equal with his own. I was intending to come to that point a little later.

My purpose at the present time was not to enter into a controversy on the tariff. I was pointing out that the government wields an instrument that may at any moment displace labour in this country. I am not speaking of the eventualities that may happen years from now. Any serious change in fiscal policy almost at once displaces labour from one end of the country to the other, and if this parliament has any human feeling at all it would never presume to make any such change unless it provided for the displacement of labour that would surely be one of the fruits of its policy. We are coming to a time when the people are going to demand such humane consideration on the part of parliaments. They say to parliaments: We are not so much concerned with your policies as with their effects upon human beings. We want protection for human beings.

I want to conclude my remarks by stressing that point. I would like to appeal to the humanity of the Prime Minister. I do not think from what I know of him that an appeal like that will be altogether lost. I am not one who mocks at the idealism of the Prime Minister. I think that it is one of the finest manifestations that we have in Canadian public life. The fact that it may not have borne fruit is a matter for further discussion, but the fact that we have a Prime Minister who does show some comprehensive knowledge of these problems is, I think, something gained. It is a starting point at any rate; but, of course, it ought not to stop there. I would like to appeal to the Prime Minister's idealism. I know that other appeals are perhaps obscured by considerations of party, by presuppositions that really do not relate to the human element. But clearly this is a matter of human importance. Here is something that concerns the immediate well-being of men, women and children.

There are in the final analysis only two kinds of economic theory in existence; there have been only two ever since men have exchanged products with one another. The first theory was crystallized into a doctrine over a hundred years ago, a theory which postulated that the way to make a country great and wealthy was to subordinate the individual to the state, that the only way to build up a country in grandeur, in material possessions, was to forget the individual, to subordinate him to the necessities of the state. The other theory was the reverse. It maintained that the true economics was the economics which subordinated the state of the individual.

Mr. MACDOUGALL: That is the protectionist theory.

Mr. BIRD: It is. We will come to that in a little while. The theory of Adam Smith was never a Tory theory until the Tories thought that they had something to gain by it.

The second theory of economics that I mentioned goes back a long way—two thousand years at least. Once upon a time there was a story told near the lake of Galilee about a man who went to seek for hired help in the market place. Going frequently there during the day he found men unemployed. The old hard theory of economics was working unconciously two thousand years ago; men were standing idle in the market place looking for work and looking in vain. But an employer came along—a remarkable thing, it was an employer!—and hired the last man during the afternoon and put him to work, and when the night came this employer paid that labourer the same money as he paid the men who had worked all day. That employer was looking at the human side. This man and his family had to live twenty-four hours, and therefore he must have a day's pay. So "unto this last" that human employer paid the same wages as he did to the fully

employed. That is the kind of economics we are trying to put over in parliament. It was almost two thousand years before our industrial system began to take any notice of that; nineteen hundred years of blood and tears that will scarcely bear telling about in any public place. The story of industrial oppression is one that human language is insufficient to depict in all its horror and repulsiveness. For almost nineteen hundred years there was no sign of this human attitude in industrial life until in the middle of the nineteenth century John Ruskin dared the industrial powers of Great Britain and issued his book strikingly named Unto This Last, basing a new system of economics upon the very phrase.

I want to say that any government has got to choose between these two ideals in modern industrial life; either subordinating the individual to the state, worshipping material prosperity; or subordinating the state and all its adjuncts to the well-being of the individual and his family. There is no other choice. In England the doctrine of Ruskin has already had its effect; it has swept Ramsay MacDonald into power, it has swept the Liberal government out of power. Ramsay MacDonald is where he is to-day, in twenty short years he has built up a potent party precisely on Ruskin's social ethics. I do not know whether when in power he is quite as ardent for that ideal as when out of power, but nevertheless the whole reason for the labour party in the old country is in this attitude. This everlasting worshipping of the almighty dollar has got to go. The necessities of the times, the terrible cruelty with which the industrial machine is bearing down upon men, women and children, is demanding a form of government which will change the whole process. A state never was meant to flourish at the expense of the individual, a state was meant to be a function of cooperating individuals; and yet in this house from year's end to year's end we hear nothing but continual bragging about the enhancement of material conditions. The government must have its mind turned to human conditions; it must try to think of progress in domestic terms, in human terms, it must look in a new direction altogether.

After all, this contrast of economic theories has always affected politics. The Liberal party started out as the champion of the individual, it attempted and succeeded in throwing off the shackles of a state that represented privilege, it succeeded in doing that to the everlasting gratitude of the whole human race. But the Liberal party was better than its creed. The Liberal party in freeing the individual also proclaimed the sanctity of the individual. It said that every man counted for one—and latterly it said that every woman counts for one. Well, if every man counted for one, what about these poor unemployed who are seeking work in vain to-night? Liberalism, like other movements, strayed from its first inspiration. Liberalism, having brought political liberty to men and women, forgot that a new duty had risen up above the horizon, the duty of getting men to cooperate for their mutual good. I am afraid that Liberalism as we have it here is in danger just there. It seems to be rather an ironical condition of things that our Conservative friends in the course of history should have adopted the socialistic attitude. I think that is the worst of having two parties historically face to face with each other; one party accepts one extremity, and the other one naturally accepts the other. An hon. member rightly indicated that the Conservative party was the socialistic party. From the time of Burke, the Conservative party has tried to exploit the social idea, it has tried to organize society in the interests of the privileged few, and it has very often succeeded; the rising tide of democracy has been the only limit to it. The Conservative party to-day is exploiting the social idea in favour of the privileged few. The Liberal party is committing the opposite evil. The Liberal party has not risen to the call of the age. This is an age that demands cooperation. Individualism is all right, but individuals left to themselves do not prosper. The Liberal party, if it is to have a future, must appeal to the social instincts of the people, it must give over bragging about prosperity in the material sense, it must concentrate itself upon the betterment of human beings. There is all the difference in the world between the two policies, and I certainly would not be criticising the Liberal party to-night if it showed any clear indication that it was turning its eyes away from this individualism, which in the long run only ends in special privilege because the unorganized organized masses are always the prey of special privilege. As I say, the economic enlightenment of the Prime Minister is certainly to the good. If he were not enlightened, we would have the task of enlightening him. The fact is, however, that he knows as much as I do about it, and more. The only point is, as we have all noticed, that when idealists enter party politics their ideals are left to struggle, and nearly always unsuccessfully, with party exigencies. We have seen it in almost every parliament of Canada; it is one of the great pities of to-day that there should be a form

of political organization which when it attempts to make its appearance stultifies idealism. These conditions, however, cannot remain much longer. As far as the farmers of Canada are concerned I believe they are going to come forward with a type of political organization which will express their political aspirations more successfully than has been done in the past. It has not been done with much success in the past, I must admit, but it is only twenty-five years since the inception of the Labour party in England, and during that quarter of a century the Labour party, with its idealism and social ideals has fought with great success against entrenched privilege in England.

Mr. THORSON: Wherein will the new farmers' party differ from the other party?

Mr. BIRD: I am not taking much stock in the new farmers' party. I do not think the solution lies in any particular type of party; I think we have had enough lessons to satisfy us that the attempt to start new and pure parties is doomed to failure. I do say this, however, that the economic organizations of the west, such as the pool organization in Manitoba, have enlisted 37,000 farmers to act in cooperation. We have never experienced a more complete organization in Manitoba than the one we have at the present time. There are 37,000 farmers organized around the ideal of cooperation. In my opinion the farmers of Manitoba can afford to forget about party politics, because they have formed an organization which has more political power than any political party the west will ever produce. I wonder what special privilege will throw the gauntlet down to the cooperating farmers of western Canada; I know of no power in Canada which has sufficient political influence to do it.

Mr. SPEAKER: The hon. member's time is up.

Mr. A. B. THOMPSON (East Simcoe): Mr. Speaker, I have in my hand a clipping from the Toronto Globe of April 3, 1930. It is as follows:

> No fewer than 188 homeless men were given shelter at the local gaol during March. This figure, according to police chief A. L. Church, is without precedent in the town's history.

This extract refers to the town of Orillia, and as that town is in my riding I would like to say that the men here referred to are not residents of Orillia. They are unfortunate men who are travelling from place to place in an attempt to find employment which is denied them. Although guilty of no crime they are forced to spend their nights in gaol. I learned yesterday from the Prime Minister (Mr. Mackenzie King) that even if the Dominion government were inclined to grant aid to the different provinces to help the unfortunate unemployed, these men would not receive any assistance. The reason is that they unfortunately live in the province of Ontario, a Conservative province and therefore subject to the exclusion mentioned by the Prime Minister. A man in Nova Scotia, Saskatchewan or New Brunswick would be in a similar plight. However, if a person similarly situated had the good fortune to live in the province of Quebec or Prince Edward Island but was unfortunate enough to be unemployed, he would receive such aid as might be afforded by this government. When have the free men of Ontario, Nova Scotia, New Brunswick and other Conservative provinces lost the right to elect men of their own choice? Since when has the Prime Minister of Canada become so autocratic that he can arbitrarily dictate which provinces shall receive government aid for unemployed, and which provinces shall be refused that aid? Are the citizens of Ontario, the chief contributors to the public funds, to be denied the rights accorded to citizens of other provinces? May I suggest to the Prime Minister that as a public man, no matter how bitter his private views may be with respect to those politically opposed, he should remember the well known motto of "equal rights to all and special privileges to none."

I take it that one of the first duties of a government is to make such provision that work may be available to citizens of the country whose affairs it administers; that the men who live in that country may have employment and thus be enabled to maintain their homes and support their families. A nation cannot exist without people; people cannot exist without homes; homes cannot be maintained without money, and money can be obtained only by work. I have taken the trouble to look through the speech from the throne delivered at the begining of this session and placed before this house for its consideration, and I look in vain for a proposal which would hold out any hope for the unfortunate unemployed. Such proposals are always welcome, but they would be doubly welcome at this time of unemployment, stress and strain.

I look back upon the record of this government and I find that in many instances it has failed to live up to its responsibilities to the people. The Minister of Labour (Mr.

Heenan) in his speech the other evening said that this government was having a ferry boat built in Canada in order to give work to Canadians. He told us that the government could have had this boat built more cheaply in England than in Canada. I am glad that the government is awakening to the fact that the people expect that every boat which is constructed to carry on the trade and commerce of this country and is the property of the Dominion government shall be built in this country, in Canadian shipyards, by Canadian workmen and with Canadian materials. The pity of it is that this government has been so slow to realize its duty in this regard. Within the past two or three years the government has had constructed abroad, instead of being built in Canada, a fleet of boats for use in the West Indies service. I have here the names of the boats with the cost of construction, as follows:

Lady Somers	$1,737,138
Lady Rodney	1,741,534
Lady Nelson	1,541,230
Lady Hawkins	1,544,757
Lady Drake	1,548,101

That is a total of $8,112,762 which went out of the country, we have the boats, but they have our money. Had a proper patriotic Canadian policy been pursued, these boats would have been built in our own country; we would have the boats, and the money would have been circulated among our own people, giving employment to Canadian labourers and mechanics and providing a market for our merchants as well as for farm products. Some one may say, "Well, the boats would have cost more had they been built in Canada." That is possible, but as far as I am concerned I am in favour of a policy of having all government-owned vessels built in Canada, and in the case of these particular boats I understand that they could have been built in this country for practically the same money.

Mr. STEWART (Edmonton): Oh, nonsense.

Mr. MALCOLM: No.

Mr. THOMPSON: Well, I understand that quite a large part of the money expended on these boats was spent on extravagant and magnificent interior fittings, which could have been omitted, and boats of equal service could have been built here for practically the same amount. Then, even admitting that they would have cost a little more, that additional money would have been spent among our own people.

Mr. MALCOLM: I think it is only fair to inform my hon. friend that tenders were called for from both British and Canadian shipyards. If I recall correctly, the cost of building these ships in Canada would have been about 40 per cent more than the cost of building them in British yards. The argument used by Canadian National Steamships, who were to operate the ships and who own them, was that the cost of operating the boats at that much of an increase in the cost of construction would involve a heavy toll in respect to rates, and would bring about a national loss. My hon. friend is quite correct in saying that it is advisable to build in Canada, but at that time Canadian National Steamships thought the load would be too heavy.

Mr. THOMPSON: I still stand by my position. Even if these boats had cost more they should have been built in Canada, because the additional money would have been kept in this country and distributed among our own people. We would have given employment to our own workingmen, and that is what the people of Canada want.

How are our Canadian shipyards to be kept in an efficient state if the work which they can reasonably expect to get is sent abroad? There is the matter of repairs to vessels. I understand that a Canadian boat can go into an American port and have necessary repairs done, and when she returns to Canada she pays a duty of 25 per cent on the value of the repairs. On the other hand, if an American boat enters a Canadian port and has certain repairs done, when she returns to the American side she has to pay a duty of 50 per cent on the value of those repairs. Why cannot we have a government that will protect the Canadian workmen to the same extent that the American government protects the American labourer? The people of this country have spent an enormous amount of money in the construction of canals and other aids to navigation, and it is reasonable to expect that wherever possible the Canadian people should get something in return through the construction of ships and repairs to ships in Canada. I am told that in the United States a vessel cannot enter the coastwise trade unless she has been actually built, registered and documented there, but we know that many of our private owners, following the example of this government, have gone across the line and bought ships in that country, bringing them back to enter the trade here in competition with our own boats manufactured in Canada.

Now, Mr. Speaker, contrast the building of these boats abroad with the policy which was pursued by the Conservative government when ships were built for the Canadian Government Merchant Marine. I understand these boats were practically all built in this country. They cost a lot of money; I believe the total was about $75,000,000, but out of that total $45,000,000 was spent in wages to Canadian workmen from Vancouver to Halifax, while $30,000,000 was spent for the purchase of Canadian material. Employment was given to our own shipyards, and the money was kept in this country. Everybody prospered by it; the labourer, the mechanic, the merchant, the farmer, all profited by this work being done in this country. That is a contrast between the policies pursued by the two different parties. Millions of dollars have been spent abroad in the construction of government-owned ships. In 1929, $31,000,000 was spent on agricultural implements imported from the United States, almost all of which could have been manufactured in this country. Is that the way to help the unemployment situation here? Every day of the year we send out of Canada $2,500,000, chiefly to purchase American manufactured goods that could be made in this country. Is that the way to help the Canadian workman who has a home to maintain and children to clothe and feed? The closing of our woollen mills as a result of the tariff policy of this government threw out of employment men and women who had worked at that business, and also deprived the farmer of a market for his wool. Is that the way to help the unemployment situation? Why cannot we have more buying at home of Canadian manufactured goods? Imagine sending yearly to the United States for manufactured goods $89 for every man, woman and child in Canada! Why not take more pride in our own products; why not more loyalty to the goods manufactured in this country? I can well understand, Mr. Speaker, why there should be unemployment in over-populated countries whose natural resources have been depleted and exhausted, but in this young country of Canada, with its under-population and magnificent natural resources, there is no excuse or reason for that condition existing. If we had a proper fiscal policy, a proper national policy —Canada for the Canadians—unemployment would rapidly disappear and prosperity would return. The people of Canada shortly will be given an opportunity to settle this question, and all signs indicate that they are now realizing their responsibilities. When given that opportunity the people will speak in no uncertain terms, and a new era of prosperity will be ushered in with the advent of a new government. That famous declaration of the Minister of the Interior (Mr. Stewart) that the death knell of protection had been sounded is going to sound the death knell of the present government.

[Mr. Thompson.]

On motion of Mr. Stewart (Edmonton) the debate was adjourned.

On motion of Mr. Stewart (Edmonton) the house adjourned at 10.55 p.m.

Monday, April 7, 1930

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 54, to incorporate Pine Hill Divinity Hall.—Mr. Black (Halifax).

Bill No. 55, to authorize the Niagara Parks Commission to erect, construct, acquire, maintain and operate a bridge across the Niagara river.—Mr. Chaplin.

PRINTING OF PARLIAMENT

Hon. CHARLES MARCIL (Bonaventure) moved that the recommendations contained in the first report of the joint committee of both houses on the printing of parliament, presented to the house on the third instant, be concurred in.

Motion agreed to.

DEBATES COMMITTEE

MOTION FOR CONCURRENCE IN FIRST REPORT

Mr. E. J. YOUNG (Weyburn) moved that the first report of the select standing committee on debates be concurred in.

Mr. GARDINER: Explain.

Mr. YOUNG (Weyburn): This report deals with the salaries and organization of the Hansard reporting staff. It appears that the application of the Hansard reporters to the Beatty commission was for some reason or other overlooked, and they were not included in the report of the commission. The work of the Hansard reporter is not that of any ordinary stenographer. He must be an expert reporter, capable of reporting persons whose diction and manner of speaking are altogether unfamiliar to him, at a rate of 250 words or

more per minute. He must catch every interruption and note exactly where it comes from, and that without in any way interfering with the taking down of the speech he is reporting. He must also be able to spell the words that we mispronounce, to reconstruct the sentences that we do not construct correctly, to quote correctly the quotations that we misquote, to put sense into the sentences whose meaning we, speaking in haste, do not always make clear. He is also required to edit and make readable the speeches he reports. He must have a wide knowledge of literature and be familiar with a very wide range of subjects. It is true that he works only six months in the year, but he is disqualified by that very fact from taking any other permanent position. There was a time when Hansard reporters could be recruited from the press gallery. That was when the newspapermen took verbatim reports of the speeches delivered in the house. But that day has passed, and the staff can no longer be recruited from that source. Experienced reporters are very very rare, and great difficulty has been found in keeping the staff up to strength. Reporters with the qualifications of a Hansard man are drawing outside the civil service as much as $6,000 a year. There is a vacancy on the staff at present, which it has been found very difficult to fill. For these reasons, Mr. Speaker, the committee has considered favourably the request of the Hansard reporters, and we respectfully submit that the salaries be revised according to the schedules given in the report. We are also asking that authority be given to increase the staff, and that recommendations be made to the Civil Service Commission so that when new appointments are requested during the session they can be made within a few days, instead of within a few months as is now the case.

Mr. H. E. SPENCER (Battle River): I would like to refer to paragraph (c) of the committee's report, reading as follows:

(c) That the Editor of English Debates and the officer occupying the joint positions of the Editor of French Debates and Parliamentary Reporter be placed in the same class and paid the same remuneration.

I would ask if it is not true that about 90 to 95 per cent of the debates of this house are carried on in English, and if the work of the editor of the English debates is not very much heavier. Why, then, should the editor of the English debates and the editor of the French debates be on the same basis?

Hon. CHARLES MARCIL (Bonaventure): As a member of the debates committee, I might say that the editor of the French debates of this house fills at the same time the position of a reporter of the proceedings, which the editor of the English debates does not. As both languages are on an equal footing in this house, I think my hon. friend should be thankful that more French is not spoken in the debates, because the sessions would then be very much longer.

Mr. A. A. HEAPS (North Winnipeg): I have no objection to the members of the Hansard staff receiving all that they are entitled to. If they are entitled to an increase to a minimum of $3,420, as recommended by the debates committee, I have no objection to that. The only comment I wish to make on that is this: I note with what ease it is possible to give to the higher paid officials working for the government an increase in their salary. Last year the house took considerable time discussing the wages of men who are receiving about eighty or ninety dollars per month. We found it impossible at that time to get any recommendation for an increase in the salaries of these low-paid men, and they are still receiving the same wages that they received last year. In increasing the pay of men or women in the employ of the government, I think we should begin at the bottom instead of at the top, and give the lower paid men at least the minimum salary which they demanded last year of $100 a month.

I understood that when the Beatty report came before parliament, we would have some opportunity of discussing its recommendations as a whole, and not piecemeal in this way. If recommendations are to come from the different committees of the house, it will be almost impossible for us to be given an opportunity of discussing the Beatty report as a whole; we may have to discuss it on half a dozen different occasions. I should like to know, Mr. Speaker, if it is the intention of the government to give the house an opportunity of discussing the report of the Beatty commission, so that I along with others who have an interest in the lower paid men may be enabled to present our views in support of a minimum salary of $100 per month.

Mr. JEAN FRANCOIS POULIOT (Temiscouata): Mr. Speaker, I do not propose to answer the questions put by my hon. friend who has just taken his seat (Mr. Heaps). But may I say that I am always impressed with the speeches of the hon. member for North Winnipeg, and if I cannot be present in the house to hear those speeches I give myself the pleasure of reading the excellent reports in Hansard. I think my hon. friend is per-

fectly right in desiring to increase the salaries of the low salaried men and women in the service, and he has my hearty support, for I am a labour man in spirit, but their position will be in no way prejudiced by our taking measures to ensure that the present high standard of the reporting staff of this house is maintained. I think nothing too good can be said of the work of the present staff. As the hon. member for Bonaventure (Mr. Marcil) very ably pointed out, I think our English speaking friends should be glad to see us French Canadians expressing our views in a tongue other than our own in order that we may be more generally understood. I have noticed on several occasions that many of our English-speaking friends do not always understand speeches delivered in French, and that is the one reason why I and other members on this side address the house in English. Nevertheless we use our mother tongue in the debates, and I think every opportunity should be afforded to have those speeches properly reported in both languages in the future as in the past.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I congratulate the hon. member (Mr. Pouliot) who has just taken his seat and many of his colleagues on their extraordinary ability to speak so fluently and so eloquently in English. I envy them that ability and would I were in the same position with regard to French as they are with respect to English. But that, I take it, does not concern us particularly in considering this report. I object to it, Mr. Speaker, on two grounds: First, that it is mandatory; and secondly, that it is an amendment to the report of the Beatty commission. This house has not yet had an opportunity of considering that report, and until we have had, I think amendments of this character should not be allowed to slip through in this way. I protest against what is virtually an amendment to the Beatty report; and I object to the sentence:

and that steps be taken by the Civil Service Commission to give effect to this recommendation.

being acted on until after we have fully considered the whole report.

Mr. DEPUTY SPEAKER: Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: Yes.

Some hon. MEMBERS: No.

Mr. WOODSWORTH: Mr. Speaker, I move the adjournment of the debate.

Motion agreed to and debate adjourned.

[Mr. Pouliot.]

DOMINION FOREST RESERVES AND PARKS ACT AMENDMENT

Hon. CHARLES STEWART (Minister of the Interior) moved for leave to introduce Bill No. 56, to amend Dominion Forest Reserves and Parks Act.

He said: Mr. Speaker, this is the usual bill that we introduce every year for the withdrawal from the forest reserves, after examination by our officers, of lands that are considered fit for agricultural purposes.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN GOVERNMENT MERCHANT MARINE

Mr. ANDERSON (Halton):

1. What is the number of vessels in the Canadian Government Merchant Marine employed in trade between Canada and Australia, and between Canada and New Zealand?

2. What was the loss, if any, in operation of these vessels during each of the fiscal years 1927 and 1928?

3. What is the rate per hundred pounds on butter between Auckland and Halifax, and between Auckland and Vancouver?

4. What quantity of butter was carried between these ports in Canadian vessels during the years 1927 and 1928?

Mr. CRERAR:

1. Australia, 7; New Zealand, 5.

2. As the publication of operating surplus or deficit on individual vessels or on particular services would be information of advantage to competing lines, it is not in the interests of the Canadian Government Merchant Marine to bring down this information.

3. Auckland to Halifax, 4 shillings per box of 56 pounds net. Auckland to Vancouver—no service provided.

4. By Canadian Government Merchant Marine: 1927, Auckland to Halifax, 12,520 boxes of 56 pounds, or 313 gross tons; 1928, none. As to other Canadian vessels—no information.

BANKRUPTCY ACT

Mr. SEGUIN:

1. Is the government aware that in the enforcement of the Bankruptcy Act with regard to the farming classes, the assignees have been responsible at times for raising the costs to such a high figure that the mortgagee, for an amount equal to fifty per cent of the value of the property, was forced to lose part of his claim?

2. If so, will any measures be taken so as to determine a fixed amount for fees and costs?

Mr. LAPOINTE:

1. No.
2. Answered by No. 1.

MARKING OF BUTTER

Mr. ADSHEAD:

Is it the intention of the government to institute regulations that will require packages containing butter to be marked with the name of the country in which the butter was made?

Mr. STEWART (Edmonton):

Matter receiving consideration of the government.

INDIAN RESERVES—ORIENTALS

Mr. SPENCER:

1. What acreage of Indian lands and reserves, if any, are leased to Orientals?
2. Where are the lands situated?
3. What are the names of the tenants?
4. What is the duration of the tenancies?
5. What are the amounts of the rents in each case?
6. What is the land used for?

Mr. STEWART (Edmonton):

1 Area, Acres	2 Reserve	3 Tenant	4 Term of lease	5 Rental paid per annum	6 Purpose of lease
				$ cts.	
70	Kamloops No. 1	Ah King	5 yrs. from 1-2-33	1,140 00	Farming
	Tsooahadie "foreshore"	Tsuchiya	During pleasure	150 00	Carrying on of fisheries
21	Tsussie	Hong Hing	5 yrs. from 1-4-28	380 00	Market garden
13·4	Whonock	M. Nikaido	" "	160 80	Fruit growing
1	Musqueam	Lee Sing Yuen	1 yr. from 1-4-30	35 00	Market garden
4	"	Hop Sing	" "	140 00	" "
3	"	Jong Chong	" "	105 00	" "
5	"	Hing Lee	" "	175 00	" "
5	"	Fong Hing	" "	175 00	" "
5	"	Sam Yick	" "	175 00	" "
4	"	Lee Yick Yuen	" "	140 00	" "
7	"	Gee Sing	" "	245 00	" "
7½	"	Choo Lai	" "	262 50	" "
2	"	Hop Sing	" "	70 00	" "
1	"	Dei Hong Co	" "	35 00	" "
1½	"	Young Jim	" "	52 50	" "
1	"	Young Jim	" "	35 00	" "
7	"	Gee Foon	" "	245 00	" "
6	"	Soo Sam	" "	210 00	" "
3	"	Young Jim	" "	105 00	" "
6	"	Lee Sing Yuen	" "	210 00	" "
4	"	Lee Sing Yuen	" "	140 00	" "
3	"	Hop Sing	" "	105 00	" "
5	"	Car Chie	" "	250 00	" "
6½	"	Die Hong Co	" "	227 50	" "
3	"	Fong Hing	" "	105 00	" "
36½	"	Ah Mew Co	" "	1,277 50	" "
1	"	Young Jim	" "	35 00	" "
2½	"	Chow Loo	" "	87 50	" "
2·10	"	Wong Sing and N. G. Sueys.	" "	73 50	" "
1·32	"	" "	" "	46 20	" "
3·1	"	" "	" "	108 50	" "
1	"	Dei Hong	" "	35 00	" "
1¾	"	"	" "	70 00	" "
¼	"	"	" "	8 75	" "

IMPORTS—BEEF, MUTTON, LAMB

Mr. KENNEDY:

1. What companies or individuals imported into Canada in the years 1929 and 1930: (a) beef; (b) mutton; (c) lamb?
2. What was the country of origin of each shipment or cargo?
3. To what companies or individual dealers were such imports sold by the importers?
4. What vessels brought overseas shipments of these commodities to Canada?
5. Through what ports were importations entered?

Mr. EULER:

1. It is contrary to the practice of the Department of National Revenue to disclose information respecting the private business of any person or concern.

2. No information. Importations received from the following countries: Item—Beef, fresh, chilled or frozen. Country—Great Britain, United States, Newfoundland, Australia, New Zealand. Item—Mutton and lamb, fresh, chilled or frozen. Country—Great Britain, United States, Australia, New Zealand.

3. No information.

4. No records are kept of the names of the vessels transporting goods to Canada from other countries.

5. Beef, fresh, chilled or frozen: St. Andrews, N.B., St. John, N.B., Halifax, St. Armand, Montreal, Quebec, Amherstburg, Niagara Falls, Bridgeburg, Gananoque, Hamilton, Ottawa, Toronto, Windsor, Ont., Emerson, Moose Jaw, Grand Forks, Vancouver, White Horse.

Mutton and lamb, fresh, chilled or frozen: Halifax, Hull, Montreal, Amherstburg, Bridgeburg, Gananoque, Toronto, Windsor, Ont., Emerson, Winnipeg, Edmonton, Cranbrook, Grand Forks, Nelson, New Westminster, Penticton, Vancouver, Victoria.

BANFF NATIONAL PARK EXPENDITURES

Mr. COOTE:

How much was expended by the government in each of the last three years in the Banff National park on: (a) construction of roads; (b) maintenance and repairs to roads; (c) administration; (d) all other expenditures?

Mr. STEWART (Edmonton):

(a) Construction of roads	
1927-28	Nil
1928-29	$ 8,884 05
1929-30	1,911 95
(b) Maintenance and repairs to roads	
1927-28	$ 54,824 56
1928-29	74,387 97
1929-30	85,870 25
(c) Administration	
1927-28	$ 41,435 37
1928-29	50,461 37
1929-30	52,285 00
(d) All other expenditures	
1927-28	$ 206,014 43
1928-29	194,420 60
1929-30	232,395 21

ISLE AUX GRUES MAIL CONTRACT

Mr. CAHAN:

1. Has the contract for the mail between Isle aux Grues and Montmagny been definitely awarded?

2. If so, was said contract awarded to the lowest tenderer?

3. What was the amount of the lowest tender?

4. To whom was the contract awarded?

5. What is the contract price?

6. When does the said contract expire?

[Mr. Euler.]

Mr. VENIOT:

1, 2, and 4.—

Application was made early in 1927, on behalf of the contractor for an increase in pay which the department could not grant without inviting public tenders. Tenders were therefore invited and were due at department April 29, 1927.

The contract in question did not expire until June 30, 1928, and the contractor agreed to continue until its expiration, therefore no action was taken on tenders received.

In view of the fact that the present contractor has rendered good service and considering the difficulties connected with the operation of this service, which might be increased under a new and inexperienced person, the department authorized a renewal for a further term.

3. $595 per annum.

5. $700 per annum.

6. June 30, 1932.

NATURAL RESOURCES—CIVIL SERVANTS AFFECTED BY TRANSFERS

Mr. LADNER:

1. How many employees of the government, and in which departments, are affected as far as their permanent employment is concerned: (a) by the transfer from the Dominion of Canada of the natural resources of Manitoba, Saskatchewan and Alberta to those provinces; (b) by the transfer from the Dominion of Canada of the railway belt and Peace River block in British Columbia to that province?

2. Is it the intention of the government to retain in its service those employees: (a) whose positions are abolished by such transfer; (b) whose positions are partly affected by such transfer?

3. Is the government making any provision with respect to the employees who may be affected by the transfer?

4. If so, what is the nature of such provision?

5. Is it the intention of the government: (a) to continue its forest and technical research work; (b) to continue the work of the forest products laboratories?

Mr. STEWART (Edmonton):

1 to 5. Under consideration.

POST OFFICE DEPARTMENT—DEFICIT

Mr. STEWART (Leeds):

1. What is the estimated total revenue of the Post Office Department for the last fiscal year?

2. What is the estimated total expenditure of the Post Office Department for the last fiscal year?

3. What is the estimated deficit of the Post Office Department for the last fiscal year?

Mr. VENIOT:

1. Estimated net revenue, $33,100,000.

2. Estimated expenditure, $35,400,000.

3. Estimated deficit, $2,300,000.

AIRWAY MAIL CONTRACTS

Mr. LAVIGUEUR:

1. How many contracts were awarded by the Post Office Department for airway mail?
2. Who are the contractors?
3. Are contracts awarded by mileage?
4. If so, at what rate?
5. Is it the intention of the Post Office Department to award other contracts?

Mr. VENIOT: This question has been answered by a return laid on the table. It should be withdrawn.

Mr. DEPUTY SPEAKER: Dropped.

UNOPPOSED MOTIONS FOR PAPERS

INDIAN RESERVES—BRITISH COLUMBIA

Mr. FRASER:

For a return showing, with respect to British Columbia:

1. The number of Indian reserves.
2. The total acreage of Indian reserves.
3. The number of surveyed Indian reserves.
4. The total acreage of surveyed Indian reserves.
5. The number of unsurveyed Indian reserves.
6. The total acreage of unsurveyed Indian reserves.
7. The number of Indian reserves surveyed in each year since 1925, giving the location, name of surveyor and acreage surveyed.
8. The total acreage of Indian reserve lands in 1927, 1928 and 1929.
9. The number of applications made for further reserves since 1925.
10. The number and acreage of Indian reserves granted by the British Columbia government since 1925, with location of same.
11. The number of applications pending with the British Columbia government for further Indian reserves, giving the acreage applied for and location of each.

DEBOLT, ALBERTA—POSTMASTER

Mr. KENNEDY:

For a copy of all notices advertising for applications for positions in the civil service of Canada, sent by the Civil Service Commission to the postmaster at Debolt, in the province of Alberta, for posting in the post office at Debolt, during the years 1925, 1926, 1927, 1928, 1929 and 1930.

BEAUHARNOIS POWER

Mr. GARLAND (Bow River):

For a copy of all letters, telegrams and other correspondence and documents, passing between any department of the government and the Beauharnois Power Corporation, Limited.

BEAUHARNOIS LIGHT, HEAT AND POWER

Mr. GARLAND (Bow River):

For a copy of all letters, telegrams and other correspondence and documents, passing between any department of the government and the Beauharnois Light, Heat and Power Company.

LEAGUE OF NATIONS—TARIFF TRUCE

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I would like to direct a question to the Prime Minister (Mr. Mackenzie King). The latest empire parliamentary report states that at the Tariff Truce conference the dominions were entirely unrepresented. I would like to ask the Prime Minister why Canada was not represented.

Right Hon. Mr. MACKENZIE KING (Prime Minister): I regret I did not hear the question; if my hon. friend would let it stand I shall endeavour to answer it at the earliest opportunity.

IMMIGRATION ADVERTISEMENTS

On the orders of the day:

Mr. F. WELLINGTON HAY (North Perth): The Acting Minister of Immigration and Colonization (Mr. Stewart, Edmonton) is in his place, and I would like to direct his attention to two advertisements appearing in The Canadian Gazette, London and Montreal, Thursday, March 20, 1930:

Wanted in Canada, experienced farm families; five hundred British families with farm experience. Assured places on Canadian farms in well settled districts. Wages and houses.

And further:

Single men, farm situations vacant—until filled—for 2,000 able-bodied single men. Wages, with bed and board.

That is an advertisement by the Canadian Pacific Railway. Then, on the back of the same periodical is an article sponsored by the Canadian National Railways' Colonization Service. It says:

The Canadian National Railways' Colonization Service advises and assists settlers before they leave Great Britain, meets them on arrival in Canada and places them in farm employment. It also locates farms for those in a position to begin farming for themselves and helps them to make a start.

May I ask for a statement from the minister in reference to these quotations, after the general discussion we had in the house during last session.

Hon. CHARLES STEWART (Acting Minister of Immigration and Colonization): In

regard to the remarks of my hon. friend, I may say that the Canadian Pacific Railway have a few families they are placing upon their own lands; I cannot tell you the exact number. They are recruiting in Great Britain. Both the Canadian Pacific Railway and the Canadian National Railways have been requested long ago to discontinue that type of advertising. We are watching the arrivals of immigrants brought in by the railway companies. It is needless for me to say that at the expiration of the railway agreement it will be stopped immediately.

Mr. GARLAND (Bow River): Does not the hon. minister think that type of advertising should be stopped now?

Mr. STEWART (Edmonton): Yes, it should be. We have asked the railway companies to discontinue altogether that type of advertising.

Mr. HANSON: I would like to ask the minister, as a result of his remark, if immigration is at a standstill in this country.

Mr. STEWART (Edmonton): No, it is not entirely at a standstill. The agreements that were entered into between the British government and the railway companies are being carried out in a very limited manner, for example, there are a few British trainees coming in, but nothing like the number the agreement calls for. Less than 20 per cent of the number provided for in the agreement will arrive in Canada this year.

COAL—FREIGHT RATES

On the orders of the day:

Mr. G. G. COOTE (Macleod): I would like to ask the Minister of the Interior (Mr. Stewart, Edmonton) if he intends to make an announcement in regard to the application of coal operators of Alberta and eastern British Columbia for the suspension of freight rates on bituminous coal shipped from those areas to Manitoba.

Hon. CHARLES STEWART (Minister of the Interior): I have not yet been able to get the matter before the government for their consideration.

SUPPLY—UNEMPLOYMENT

AMENDMENT OF MR. HEAPS TO MOTION FOR COMMITTEE

The house resumed from Friday, April 4, consideration of the motion of Mr. Mackenzie King for committee of supply, and the amendment thereto of Mr. Heaps.

[Mr. C. A. Stewart.]

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, for some days the house has been listening to a discussion arising out of an amendment to the motion to go into supply. That amendment was proposed by the hon. member for North Winnipeg (Mr. Heaps), and was:

> That in the opinion of this house the government should take immediate action to deal with the question of unemployment.

The unemployment situation in Canada, without referring to what the previous speakers have said, is not a new one. During nine months of the year, we have little or no unemployment, but seasonal unemployment has existed ever since the country had employment of any kind. Nobody will deny that. In my remarks I do not intend to detain the house very long, and hope to cover the subject as briefly as possible, and to state some of the reasons for the situation we have in Canada. I might also venture some opinions as to how it could at least be alleviated, or partially cured. Unemployment is common to all countries in a greater or smaller degree. My hon. friends opposite cite the tariff as the cure and panacea for all ills, unemployment included. On the other hand, the hon. gentlemen who represent the United Farmers of Alberta and the labour element are inclined to believe that the exact opposite is the case, and that a reduction in tariffs would very largely cure unemployment. There has been a general admission on their part that after all perhaps the tariff plays a very small part in the question of unemployment. May I say at once that I do not agree with my hon. friends opposite when they say that increased tariffs would cure unemployment. If that were so, there should be no unemployment, or very little of it, in countries that have in the immediate past increased their tariffs. We know that the United States and Australia have increased their tariffs very materially. It has been stated that because this is a low tariff country we have suffered to a higher degree, but when we come to compare figures we find that the unemployment statistics of Great Britain and the United States compare very favourably on a per capita basis. So I do not agree that increased tariffs provide any remedy for unemployment. I am inclined to argue with my hon. friends opposite that while a reduction in tariff may not be an absolute cure for this situation, yet it helps very materially. This government came into office at a time when there was a very serious condition of unemployment, created not by tariffs but by after-war conditions. On that occasion hon. gentlemen

opposite were urging that the government take into consideration the desirability of increasing tariffs for the purpose of alleviating conditions which then existed. I refer to the years 1922 and 1923, but the government took the opposite course and it is needless for me to point out the results of that action.

Mark you, Mr. Speaker, I am not saying that we have no unemployment in Canada; I do not make that assertion at all, but I do say that unemployment does not exist in Canada during the summer season to any degree which might cause alarm. However, there is a season in the year when we always have had and always will have some unemployment in this country.

Referring again to the question of reduction in tariffs, and dealing especially with the situation in Canada and the ability of industry to absorb labour, let me point out that in 1922 we had 750,000 people engaged in industry, with a production valued at two billion five hundred million dollars. In 1929 we had 1,000,000 people engaged in industry, with a production valued at over four billion dollars. So it will be seen that during the years this government has been in office employment has increased from 750,000 to over 1,000,000, while the value of the production has almost doubled.

Mr. COOTE: Would the minister mind telling us whether those figures include all the men employed in industry in Canada?

Mr. STEWART (Edmonton): No; it is impossible to get a record of all the industries in Canada. These figures refer to industries employing fifteen men or more, and any computation of this character of necessity must be brought in its application. At any rate, we have improved the employment situation, although I do not mean to argue that we have had and will not continue to have unemployment during the winter season.

We have a very peculiar situation in Canada which does not exist to the same extent in the country to our south. There they have not a cessation of all, or at least a great many, of the agencies of employment, as is the case in Canada. Perhaps I might enumerate some of the difficulties we have to face. Let us consider agriculture: I will venture the assertion, which I think cannot be contradicted, that at least three-quarters of the men employed upon the farms of Canada will be out of work for three months during the year. Consider the shipping fleets on the great lakes, and our fishermen on inland waters; every one of these men will be out of employment during the winter months, except for a very small number who may continue fishing through the ice. All the sailors in Canadian bottoms are out of employment for at least three months during the year. In building construction from one end of Canada to the other the same thing applies, and a great many of the employees of the railway systems are affected by this situation also. All maintenance of way men; all those men working on improvements to road beds and other men doing similar work, whose numbers are very large during the summer season, are thrown out of employment for at least three months during the winter. So I think it must be agreed that these large employment agencies throughout Canada must of necessity throw men out of employment during three months of the winter, because of our climatic conditions.

Let me repeat that this condition always has prevailed in Canada and I doubt if it can be changed to any considerable extent. The question has occasioned considerable thought by all men who are engaged in the problem of supplying employment to those who desire to work in this country. I do not think any hon. gentleman will deny that while we are perhaps the most favourably situated country in the world with respect to employment, we have the handicap of a seasonal condition of this character, and it is worthy of note that the situation is not worse than it is at the present time. In the United States and Australia, two countries with which we can reasonably make comparison, the situation is very much worse and, as I have pointed out, both countries adopted the remedy suggested by our hon. friends opposite in the hope of improving their economic conditions and thereby improving their labour conditions.

I do not know that I need go very much further into the question of why we happen to have seasonal unemployment in Canada. I am not able to give the number of men who will be unemployed during the season I have mentioned, but I do not think that is material; I think every one must realize that during that three month period a very large number of the men engaged in the industries I have mentioned will be out of employment.

In 1923 we had a conference at which we discussed this very question, and at that conference some suggestions were made which have been adopted by this government. One suggestion was that the government of Canada should, so far as it could conveniently be done, extend its building construction programs into the winter season. I am going to make the suggestion, Mr. Speaker, that that be done to a greater degree, but before I do so may I deal with the matter of immigration.

I happen to be for the moment the acting minister of that department, and have to do with immigration matters. It has been suggested by hon. gentlemen opposite that the federal government should step into the field of provincial activity and assist in dealing with unemployment because it has brought into this country during the past few years immigrants from the various countries of the world which has added to the difficulty we find ourselves in during the winter seasons. There is no doubt that in any given community the stranger will be the first to suffer from unemployment. He is the first man to be out of work because he does not know conditions; he is not acquainted with the avenues through which he may seek employment and for that reason he is very liable to be found in reasonably sized numbers in any body of unemployed. After he is established and becomes a citizen he is in a better position to provide for himself during the winter season. I do not think it should be said that because of these conditions no one should be allowed into a country like Canada with its sparse population, or that we should say to the world, as some of our sister dominions have said, that we cannot accommodate any more people within our midst. I think that would be going a considerable distance, but I do believe that we should reduce immigration to the minimum in order to be able to face our present and future difficulties.

Mr. GARLAND (Bow River): What would that minimum be?

Mr. STEWART (Edmonton): That is a very difficult question to answer. If my hon. friend were minister of immigration, having to deal with individual cases where good reasons are given for the entry of friends and relatives of people already in Canada, people who are comfortably off and in a position to take care of their friends, and who are prepared to take care of them so that they would not drift into the ranks of the unemployed, I—

Mr. GARLAND (Bow River): The minister is not contending that there has been any drastic opposition to that class of immigration?

Mr. STEWART (Edmonton): I am simply stating my position to my hon. friend. The doors cannot be closed absolutely as there is that class of immigration to be considered. A considerable number of immigrants would come within that class, and I for one believe that it is right and proper that they be admitted. I shall continue to admit them until we have an arrangement with the provinces which I hope will be brought about, whereby they will undertake the responsibility of saying who shall and who shall not come into their midst.

Mr. GARLAND (Bow River): What about the entry of those outside of relatives and friends?

Mr. STEWART (Edmonton): The answer I made the other day to a question raised during the orders of the day still stands. We have an arrangement for the admission of 1,100 or 1,200 trainees, but the greatest difficulty is being experienced in placing even one half of that number, and we are asking that it be reduced to the very minimum. We are also insisting that they be placed where they will not take the place of labour which could be supplied by Canada itself, and they are all being placed on farms.

Mr. ADSHEAD: What about the 8,000 Europeans coming into Canada?

Mr. STEWART (Edmonton): I cannot give a definite answer to my hon. friend except to say that this agreement was made a year ago by my predecessor, when the present situation was not anticipated. The agreement, so far as the bringing in of people is concerned, will expire on May 31. Where people in this country decide to bring friends or relatives from central Europe and where they are in an economic position to take care of such immigrants, I permit them to come in.

Mr. BENNETT: Regardless of the financial position of the immigrant?

Mr. STEWART (Edmonton): In every case they have some financial backing themselves.

Mr. ADSHEAD: Does the department have certain knowledge as to where those people will go after they enter the country?

Mr. STEWART (Edmonton): Yes, they are all going on farms. We have been endeavouring to make an arrangement with the provinces whereby they will accept the responsibility of stating to us the number and the nationality of immigrants which they can absorb into their communities. As far as the federal government is concerned, we are putting no bar in the way of people coming from the old land or from the preferred northern countries provided they are physically and mentally fit, are able to pay their own passage and have sufficient money to maintain themselves for a reasonable time after arrival in this country. I do not believe that the provinces will put any bar in the way of immigra-

tion of that character. The deputy minister of the department has visited practically all the provinces of Canada, as a matter of fact he is to-day interviewing the Premier of Nova Scotia. He will then have completed interviews with all the provinces, which so far have expressed a willingness to accept the responsibility provided the federal government will undertake to carry on recruiting, to deport when necessary, and to provide the machinery for the securing of such immigrants as are desired by the different provinces. The provinces, on their part, will give us the number and classes of people which they can absorb.

Largely at the request of the provinces, a conference was arranged to discuss this matter. It is to be held early in June so that arrangements may be completed in ample time for application to next year's immigration. I hope that the charge will not be laid at our door that we are contributing to the difficulties of any given province by the bringing in of immigrants. It seems to me that this arrangement is the logical, reasonable and sound thing to do, having in mind that the federal government will no longer have control of the lands and the natural resouces of the western provinces.

I am not unmindful of the fact that the resolution of my hon. friend (Mr. Heaps) calls for immediate action with regard to unemployment. It is unnecessary for me to reiterate the stand of the government which was given to the house by the Prime Minister, and which was stated last fall by the government, that this government stands ready to assist any province which finds itself in a position where it is unable to cope with the situation. No such request has been made to this government, and may I say that I agree most heartily with the statement of the hon. member for South Wellington (Mr. Guthrie) who stood in his place the other day and stated most emphatically that he realized that while the initial responsibility rested upon the municipalities and the secondary responsibility was upon the provincial governments, he felt that the federal government could not as well escape responsibility. Upon that occasion he appealed to the federal government to come to the rescue of the poor unemployed. I hate to call such a suggestion absurd, but no one expected the federal government to hand its moneys over to the provincial government in order that the latter might spend them. I am just as much interested as any other hon. member in the welfare of any individual who is out of employment, but no one has so far suggested that the municipalities and the provincial governments are not taking care of the situation, nor have the provincial governments so far stated that owing to their inability, people are not receiving needed assistance.

Mr. ADSHEAD: What does the minister mean by "inability"? Where is the limit?

Mr. STEWART (Edmonton): That is a matter for the provincial governments themselves to decide. The federal government stands in exactly the same position as it did last fall; we believe with the hon. member for South Wellington that the matter is a municipal responsibility. If it is too great for the municipalities, then the province must come to the rescue. If it becomes too great for the province, under existing conditions they appeal to the federal government, and in the past when the matter was dealt with in this way, it was dealt with on the basis of one-third from the municipality, one-third from the province, and one-third from the federal government.

Mr. MANION: In view of the statement made by the Prime Minister (Mr. Mackenzie King) the other day, what would be the use of any province under a Conservative government appealing to this government?

Mr. STEWART (Edmonton): All I can say to my hon. friend is that he will have to judge us by our past.

Mr. MANION: Not by your statements.

Mr. SHORT: The country will decide.

Mr. STEWART (Edmonton): We are quite willing to let the country decide; we will take our chances with the country. May I say to my hon. friend from Fort William: in the past this government, in connection with old age pensions, farm loans—and these are in the very immediate past—adopted a policy of cooperation with the provincial governments. As regards unemployment, if we are to hand money of the taxpayers of Canada over to the provinces, surely we have a right to make some inquiries as to its disposition.

Mr. MANION: Or as to their politics.

Mr. STEWART (Edmonton): I say nothing about their politics.

Mr. MANION: The Prime Minister said that.

Mr. STEWART (Edmonton): Generally speaking, I think it is a safe and sane policy for any government to pursue to spend under their own direction the money they collect from the taxpayers. No one can quarrel with that, and I think it is a safe and sound proposition. That has been the position of

the government in the past and I have no doubt it will be the position of the government in the future.

Having dealt with the question of immigration, I want to suggest what I think would assist very materially in relieving the seasonal unemployment which we have for at least three months of the year. During the winter season the government has carried on in almost every large city of Canada public works under its control, in this way giving employment to men who would otherwise have been out of work. We followed out the policy suggested in the conference of 1923. I should like to see that enlarged. I believe it is possible under modern conditions to carry on in almost every part of Canada building construction during the winter months with very little added cost. I would suggest that the provinces, the municipalities and the railway companies who are large employers of labour, could very well decide that one-half of the money expended in building construction should be expended during the three months that I have mentioned, the off season.

Mr. GARLAND (Bow River): Would the federal government be prepared to pay a share of the additional cost of winter construction?

Mr. STEWART (Edmonton): We have to bear the responsibility of our own winter construction. Why should my hon. friend ask the federal government to assume one-third of the cost of construction of a public building for a province which is doing exactly the same thing as the federal government is doing in a country like Canada? I do not follow his argument.

Mr. GARLAND (Bow River): Only because the minister suggests it is their policy to ask the provinces to carry on winter construction.

Mr. STEWART (Edmonton): I am suggesting this merely as a remedy. If someone does not suggest a remedy, no remedy will be forthcoming. The same thing may apply to municipalities. Is there any reason why municipalities should not construct their sewer works in the winter time? We have all seen them doing this. In Ottawa we have had no difficulty in employing men all winter in building a cement wall along the Rideau canal, which is outside work. We have done this every winter for the past four or five years, giving employment to 100 or 125 men during the cold weather. If it is costing a little more money, the federal government has to pay the bill. Very much more could be done in the way of winter employment if the municipalities, the provincial governments and particularly the two great railway systems were to extend their building programs. A large proportion of the outside construction of the Confederation building was carried on during the winter, but I do not believe it has cost the contractor very much more because of that. That kind of thing can be applied all over Canada and it will help a great deal toward absorbing the unemployed in these various activities.

The National railways were requested to give employment to many men who otherwise would have been discharged this winter, and I hope it has not cost the National railways any considerable amount of money to carry out that policy. These men were largely out of employment because our wheat crop did not move and a large proportion of that crop has still to move. The government requested the National railways not to discharge those men but to keep them on during the winter season, and this has helped very materially to relieve the unemployment situation.

If I can speak quite apart from my ministerial responsibilities, I would respectfully suggest, if I may put it in that way, that the municipalities and the provincial governments might go so far, if it were necessary, as to enact legislation so as to carry out the program I have outlined. If this were done it would mean much to the country. A more adequate system of registration will have to be inaugurated and that is one of the matters I want to bring before the conference with respect to immigration. In this way, if men who have settled in any given municipality or any particular part of the country, move from that locality into a city, as they frequently do from farms, railways and elsewhere, it will be possible to fix the responsibility of the municipality from which they come. Something of that kind would help materially to prevent some of the cities from being made the Mecca of many of our unemployed who do not rightfully belong in them.

Mr. WOODSWORTH: This year in my city of Winnipeg hundreds of men were discharged from the Canadian Pacific who had to be maintained by the city. The city went so far as to send a bill to the Canadian Pacific. Is there any reason why the federal government could not legislate so that the railways would have to take care of their own employees during those three or four months?

Mr. STEWART (Edmonton): I was coming to that very point. I know how impossible it is to say to a farmer, for example: You must do something for the men you dis-

charge in the fall and do not need until next spring. Perhaps it is a little difficult to say to the railroads and other large employers of labour: You must provide continuous employment for your workers. I think I am safe in saying that generally in our merchant marine in Canada we hear very little about unemployment, and yet the sailors who make up that splendid body of men must be out of employment for four months every year. It is possible that the wages they receive in the summer months carry them through the winter season. I am not familiar enough with the circumstances to know, but I do know that we hear very little from them, and I see no reason why the same conditions should not apply on the railways and with other large employers of labour, who have of necessity to employ a larger number of men during the summer than during the winter season.

Mr. WOODSWORTH: Would not that require legislation?

Mr. STEWART (Edmonton): I am unable to answer my hon. friend with respect to that. I am not attempting to cure the unemployment situation but am suggesting attacking it first where it is most acute, with our municipalities and within the provincial arena, and of course, as it applies to the railway companies. So far as we are aware, no serious situation exists in eastern Canada. The serious situation, if it can be called such, exists from here westward. While it may be said that the situation is a little more acute just now than in other years, both in the United States and Canada, the fact remains that every year in both countries there is a considerable degree of unemployment during the off-season, and it is to cover the off-season period that I am offering these suggestions to the house.

As I say, we will have a conference on immigration, which is one of the things that it is claimed has some effect on unemployment, and I see no reason why this question should not be discussed at that conference. It might be well to bring together the presidents of the two railway companies and other large employers of labour, who are interested in this question as we are interested, and are desirous of alleviating what is a more or less serious situation for some of those who are unemployed every winter. The provinces will also be represented at that conference. The municipalities largely will not. I do not claim that it is the responsibility of the federal government, but we wish to be helpful as far as we can in this matter, as in other matters, and to have the question discussed, to see how far we can go in proposing schemes that will be effective in reducing unemployment in this country, having regard particularly to the industries that are employing a large number of workers, some of whom find themselves out of employment during the three months I have mentioned.

That is all that I have to contribute to the debate, Mr. Speaker. I feel that it has wandered very far afield. I have been sitting here listening for some practical suggestions that would cure unemployment, but so far very little has been said along that line. I offer these suggestions, not as something entirely new, but as going further perhaps than has ever been proposed before in connection with making it obligatory that work that can be performed during the winter seasons shall be done then. May I say, in conclusion, that if the debate continues, I do hope that hon. members who speak will remember that this is not a political question, and that they will not speak with the hope of getting some political kudos out of it, but will rather confine themselves to what they believe will be practical remedies for a situation that we shall find existent in this country for three months every year.

Mr. ADSHEAD: Who does the minister think should bear the expense of maintaining the deportees while they are awaiting deportation? Secondly, when did the government insert the words, "Unable to bear the cost"? As it was before, it said that when an emergent condition exists the Dominion government would step in. The wording now makes it very different.

Mr. STEWART (Edmonton): I confess that I do not see very much difference. There may be an emergent condition and the provinces may be able to take care of it, but when a province admits that it is unable to take care of it, it is apparent that it is a very emergent situation.

With respect to deportees, the moment that we are notified and take action for the deportation of an individual, we pay the expenses, and in some cases we have paid them where it would appear that there may have been some laxity on our part in dealing with the matter.

Mr. ADSHEAD: In these deportation cases, we do not get one cent until the men leave the station. We have to maintain them up till then.

Mr. BENNETT: The question I desire to ask the minister is this: What legislative body would have the authority to compel construction to be carried on during the winter?

Mr. STEWART (Edmonton): It would only be provincial in character, and anything effective in that connection would have to be enacted by the province.

Mr. WOODSWORTH: Could the province possibly enact legislation that would affect control of the railroads?

Mr. STEWART (Edmonton): I do not say that. The provincial authorities would have complete control over the operations in their own province other than perhaps in connection with the railways, which are a national undertaking and have a dominion charter, but anything dealing with the railways would have to be enacted by the federal government.

Mr. W. G. ERNST (Queens-Lunenburg): Mr. Speaker, there was one remark made by the hon. Minister of the Interior (Mr. Stewart) with which I can agree, and that was one of his concluding remarks that this debate has wandered far afield. Having read the amendment, which reads that in the opinion of this house the government should take immediate action to deal with the question of unemployment, the minister himself proceeded to wander into a dissertation on immigration and fiscal policies. In so far as he contributed anything to the question, his contribution I think may be classified under three heads. First, there was the admission that we have an unemployment problem with us, seasonal unemployment permanently. Second, that the problem is primarily a provincial and a municipal one. The third part of his speech was very much the same as the Prime Minister's, and consisted in giving good advice. The Prime Minister himself took the same stand as the minister, that the question is primarily a provincial one, and he sought to justify his position by reference to the British North America Act. I feel that issue can well be taken with the Prime Minister in that statement. He quoted section 92 of the British North America Act, which gives legislative powers to the various provincial governments, but he neglected to read to the house section 91 of the same act. In order to understand the reference in section 92, it is essential, I feel, that section 91 should be read to the house in so far as it appertains: It reads:

> 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;

Then it goes on to enumerate the specific powers given to the Dominion government. But the essential point to remember is this, that the powers of the legislatures of the provinces are circumscribed, they are tied hard and fast by definite statements contained in section 92. Any power which is not delegated to the provincial legislatures belongs to the federal legislature; in other words what we call the residuum of power resides in this parliament, and not in the legislatures of the various provinces.

Now, under what subsection of section 92 did the Prime Minister seek to justify his position that the question was primarily a provincial one? Taking them in turn, the first of these subsections he relied on was No. 7:

> The establishment, maintenance, and management of hospitals, asylums, charities, and eleemosynary institutions in and for the province, other than marine hospitals.

In other words, under that subsection, he is going to bring the question of unemployment within the jurisdiction of the provincial legislatures; that is, he classes unemployment with charitable institutions, because that is all that subsection deals with. He treats unemployment essentially as a matter of charity, whereas in the later part of his speech he refers to Industry and Humanity, the book written by himself, where he places unemployment upon an altogether different plane. He is not consistent in the two parts of his speech. Either he is correct in Industry and Humanity and incorrect in his speech; or he is incorrect in Industry and Humanity and correct in his speech. I submit that by no stretch of the imagination can the problem of unemployment, strictly construed, be brought within the purview of the provincial legislatures under the provisions of subsection 7 of section 92 of the British North America Act.

Let us take the next subsection which he invoked, No. 8:

> Municipal institutions in the province.

The Prime Minister well knows that that subsection means that the provincial legislatures are the bodies which are empowered to create institutions of municipal government; they pass what are known as municipal acts conferring powers on municipal institutions. When he argues that because unemployment is primarily a municipal matter, and that as the municipality receives its powers from the provincial government, it is therefore a provincial matter, he begs the question altogether. He is simply saying it is a municipal question; the province gives the municipality power; therefore it is not a

federal question. The subsection has not the slightest bearing on the question of unemployment from a legal standpoint.

Let us go on to the next subsection that he relies on:

13. Property and civil rights in the province.

He proceeds to state that unemployment is a matter of contract between the employer and the employees, and that a contract is a matter of property and civil rights. But surely, sir, unemployment is the very negation of contract, it is the very opposite of property and civil rights. There is no contract. Consequently it cannot for one moment come within the classification of property and civil rights.

Let us take the last subsection that he quoted to justify his position from a legal standpoint:

16. Generally, all matters of a merely local or private nature in the province.

Now, Mr. Speaker, I should like to put this proposition before the Prime Minister. Let us suppose for one moment that the government of this country reduces the duty on coal and so allows it to come in from the United States and Russia, and as a result 5,000 miners in the island of Cape Breton are put out of employment. Is that purely a local matter? Is it a matter merely of local concern? True, primarily the locality would be concerned in seeing that those men are kept from starvation. But who is responsible? Does not the responsibility rest where the cause is produced? Is not that the answer to the whole question of unemployment? Unemployment primarily means that there is some breakdown—perhaps not a breakdown, but that the economic structure of the country is not functioning in a balanced manner. The economic structure of the country is wholly under the control of this parliament. Subsection 2 of section 91 of the British North America Act enumerates the regulation of trade and commerce as one of the powers of this parliament. That regulation belongs entirely to the federal and not to the provincial authorities; the latter have no right whatever to interfere in it.

Let us assume, to carry my argument a step further, that the Dominion enacted regulations respecting trade and commerce which threw men out of employment in British Columbia or in some other province. Is not the action taken by the Dominion parliament the cause of that unemployment? If so, why should responsibility rest on the immediate localities where the unemployment occurs, which locality had nothing whatever to do in throwing those men out of work? Suppose the Prime Minister in his wisdom decided there should be some readjustment of the economic structure and the readjustment meant prosperity in some parts of the country but worked a hardship in others. Where there was hardship—where there was unemployment—would it not be the responsibility of the federal authorities to take care of that unemployment? And would the Prime Minister say it was a vicious principle to devote money which was taken from the prosperous to help out the needy in those localities adversely affected?

When you analyze the situation, Mr. Speaker, you must come to the conclusion that the problem is primarily federal. I doubt very much whether the provinces could pass legislation respecting unemployment which would be held by the courts of this country to be intra vires. Surely it is not within the sphere of the provinces under the British North America Act. The lead should come from this government. They may use the machinery of the municipalities, but the lead must be given by the Dominion. Take this illustration. Last week I was in the city of Brantford. They have there a number of unemployed people. Those people were brought out here by the instrumentality of the government under what is known as the assisted passage scheme. They were to be placed on farms, but instead they were placed on the outskirts of the city, and to-day they are getting their bread and butter from the city authorities. Whose is the responsibility in that case? Does it belong to the local authorities, or does not the responsibility morally rest upon the Dominion government? I submit, sir, that when you view the whole situation by and large you must come to the conclusion that the problem is a federal one, and the country must look to the federal authorities for a solution of the problem, whatever that solution may be.

Now, what arguments did the Prime Minister use in addition to the argument of unemployment being a provincial matter? His next argument was that we were doing a disservice to this country in mentioning the fact that there was serious unemployment in Canada to-day. He argued, as did the Minister of the Interior (Mr. Stewart) who has just taken his seat, that there was no serious unemployment, that the unemployment was merely seasonal. Any person who travels across Canada to-day cannot come to the conclusion that unemployment is merely normal, for there is unemployment in every province in some degree, in some provinces worse than in others, and it certainly is not the usual

seasonal unemployment such as we have had during the last three or four winters. The Prime Minister says we are doing a disservice to the country in mentioning the fact. Why? Because he said, if we mention it, it means that foreign capital will not come in here, and consequently to that extent we shall not be able to cure the situation. He expects us apparently to say that the country is prosperous, that there is no unemployment, no matter what may be the actual conditions. What would happen if that same principle were carried into private life? If I went to the Prime Minister and induced him to put capital in my business on the strength of my statement that it was in a flourishing state, while really it was not, and he lost his capital, I venture to say he would hale me into court on a charge of obtaining money by false pretenses. And, sir, applying the same moral principles to the conduct of the nation's affairs, then it behooves us to tell people who contemplate investing their capital here what are the actual conditions respecting unemployment. If we do not do that we are departing a long way from the high moral principles the Prime Minister enunciated a few weeks ago.

In addition, what did the Prime Minister say? The remainder of his speech consisted in quotations from Industry and Humanity, and in giving advice to the provincial governments and to various corporations. In effect, it consisted in this: "We stand ready to give you the benefit of our advice when you ask for it; we will not help you or give a cent to any Tory government, but we will give our advice." I suppose he would give the provinces a copy of his book, if they asked for it. That was the purport of the speech made by the Prime Minister in reference to this question. No doubt he will say I have misinterpreted it, but we know the right hon. gentleman is very often misinterpreted. In fact, he lays himself open to misinterpretation with surprising frequency. For instance, some few years ago he had occasion to make a statement about his activities in connection with labour during a period of his life. He referred to that period in the remarks he made in his speech of Thursday last when he was dealing with his book called Industry and Humanity. He stated, very heatedly, that he had never resided in the United States. No doubt the right hon. gentleman is legally correct, but may I point out that in respect to these matters he deliberately lays himself open to misinterpretation. I have in my hand a copy of Hansard for the year 1920, and I find that in that year the right hon. gentleman made a statement giving his credentials which he placed upon Hansard. The statement contains his credentials for certain years of his life, and in connection with them we note two things. The first is that there are some six credentials; all were obtained from persons resident in the United States, and the second is that while he was supposed to be employed at mitigating or helping the cause of labour, every single one of those credentials is from an official of some great corporation in the United States. It is not an accident, because it is quite obvious the hon. gentleman solicited those credentials. He admits that in one case he wrote a circular letter to obtain them. If he circularized labour, which he was supposed to have assisted, either labour made no representations or the Prime Minister did not place them on Hansard.

May I draw the attention of the house to these credentials and testimonials. There are six of them, and the first appears on page 1410 of Hansard, in the year 1920. It is a letter from J. F. Welborn, the president of the Colorado Fuel and Iron Company, Denver, Colorado, and is dated December 20, 1919.

Mr. MACKENZIE KING: Read the letter.

Mr. ERNST: The letter deals with the services rendered by the right hon. gentleman to that corporation. I have only forty minutes in which to make my speech, but I shall give the page number of Hansard so that any hon. member may read it if he so desires.

The next letter is from Mr. J. W. Powell, the vice-president of the Bethlehem Shipbuilding Corporation, Limited, Bethlehem, Pennsylvania. This letter is dated September 22, 1919.

Mr. MACKENZIE KING: Read that letter.

Mr. ERNST: That letter appears on page 1412. The next testimonial the right hon. gentleman produced is from E. G. Grace, the president of the Bethlehem Steel Company, South Bethlehem, Pennsylvania, and it is dated September 26, 1919.

Mr. MACKENZIE KING: Read that letter.

Mr. ERNST: My right hon. friend can refresh his memory by looking at them tonight, if he so desires.

Mr. MACKENZIE KING: I know what is in them.

Mr. ERNST: The next credential is from Richard H. Rice, acting manager of the General Electric Company, at West Lynn, Massachusetts. The letter is dated September 29, 1919.

Mr. MACKENZIE KING: I ask my hon. friend to read that letter.

Mr. ERNST: The next letter is from W. L. Petrikin, the president of the Great Western Sugar Company, Denver, Colorado.

Mr. MACKENZIE KING: I wish to draw the attention of the house to the fact that it is a rule in debate that an hon. member should not refer to a communication unless he is prepared to read it.

Mr. BENNETT: It is in Hansard.

Mr. ERNST: They are already on the pages of Hansard and are available for hon. members in this house.

Mr. MACKENZIE KING: If hon. members are content not to have them read, well and good.

Mr. ERNST: If I could obtain an extension of time I would be glad to read them, but I have only forty minutes, and would not have sufficient time. The next letter is one that my hon. friend must be proud of. It is from R. W. Stewart, the gentleman who apparently was ousted from the Standard Oil Company of Indiana by Mr. Rockefeller.

Mr. MACKENZIE KING: Perhaps the hon. member would read that letter.

Mr. ERNST: It is from one of the officials of a great corporation, and tells of the wonderful services the Prime Minister rendered labour. The letter is dated October 7, 1919. My object in drawing these matters to the attention of the house is to point out that the right hon. gentleman frequently leaves himself open to misinterpretation. Is it not reasonable to infer when we have a statement of credentials covering the activities of the Prime Minister for a period of four years, and not containing a single credential from this country, that he had not been in this country? We will have to accept the statement of the right hon. gentleman when he says he was a resident of Canada during all that time. I am merely pointing out that he leaves himself open to misinterpretation in that, as in other respects. He leaves himself open to further misinterpretation when he solicits testimonials and receives none from labour, whom he purports to have helped.

I have dealt with the reasons given by the Prime Minister as to why he could not support the amendment before the house.

We shall now turn to the Minister of Labour (Mr. Heenan), and find his position on the subject. The Minister of Labour addressed this house for three hours in an attempt to tell us that there was unemployment under previous Conservative governments; apart from that he said nothing. True, he made some sneering references to the Hon. Mr. Ferguson, the premier of Ontario. I must say, however, that so far as his contribution to this debate is concerned, it has amounted to nothing. As has been pointed out in this house, however, he did say something in the city of London. His remarks are reported in the London Advertiser of Saturday, March 15, 1930. He is reported to have made a statement in regard to unemployment insurance. He has informed the hon. member for North Winnipeg (Mr. Heaps) that he stands behind the report as it appears in the London Advertiser, and I wish to direct again the attention of the minister to the report as it appears in that paper. I ask him if he did or did not make the statement as it is quoted? The first paragraph reads:

> The Dominion government is ready to assist the provinces in establishing unemployment insurance for Canada on a contributing basis, announced the Hon. Peter Heenan, Minister of Labour in an address to an audience that filled Hyman hall last night. In making this important pronouncement Mr. Heenan said, "As far as I am concerned I will make every effort and the Prime Minister will back me up to see that the labouring man, who is out of work for any period of the year, will have a right to expect and to receive a share of the profits he helped to make.

Did the Minister of Labour make that statement as reported?

Mr. HEENAN: Yes, I did.

Mr. ERNST: The hon. minister says he did, and the result is that we reach a very unfortunate position for the Minister of Labour in view of the fact that the Prime Minister took a diametrically different stand. Later on in the speech of the Minister of Labour we find the word "assist." The Prime Minister has distinctly said in this house that he would not give a five cent piece to any Tory government. I interpret the remarks of the Prime Minister—and I hope I am not misinterpreting them—that he will not give one penny to any of the provinces, unless it is to one of the western provinces. In view of that fact, Mr. Speaker, we have one pronouncement from the Minister of Labour in London, Ontario, and another from the Prime Minister in this house. But worse than that, the Minister of Labour says he has the support of the Prime Minister.

Mr. HEENAN: May I ask a question. Are there not more ways of giving assistance than by making donations?

Mr. ERNST: The only other way I know of is that the Prime Minister might give a copy of his book. I take the word "assist" to mean what it is commonly understood to

mean, and as any audience of labouring men would interpret it, financial assistance. In the speech as reported here the Minister of Labour tells an audience of labouring men in effect that there would be financial assistance. What becomes of cabinet solidarity? We find the Minister of Labour making in the city of London a statement diametrically opposed to that made by the Prime Minister in this house. I will not use the word "misrepresent"; it is a nasty word and I believe it is unparliamentary but, sir, I will say the Minister of Labour deliberately misinterpreted the views of the government on the question for the purpose of getting a few votes in the city of London and elsewhere. Thus we have another illustration of this government forgetting one of the cardinal principles of responsible government, the principle of cabinet solidarity.

This is not the only illustration we have had; if it were the first perhaps it might not cause so much comment. We had the same thing happen with regard to the liquor export bill, with respect to the Minister of National Revenue (Mr. Euler). The same cardinal principle was forgotten, and we have the same situation all over Canada with regard to tariffs, as was pointed out by the hon. member for Fort William (Mr. Manion) when he made his address on this subject. For instance, we have our friend the Minister of Railways and Canals (Mr. Crerar) who, I believe, purports to be an out and out free trader, and we have the Minister of National Revenue who campaigns Ontario as a protectionist. Down in my part of the country some gentlemen belonging to the party opposite are free traders, while some say they stand for "a tariff for revenue." I have not been able to understand what that means, unless it means to import as much as we can in order to get an increased revenue from the tariff. I have never heard a reasonable explanation of that term.

So we have the spectacle of one minister saying one thing in one place and another minister saying another thing in another place, with cardinal principles forgotten and vote-catching on every hand. How long can this country tolerate a spectacle of that kind under our Canadian institutions of government? How long can we have the Minister of Railways preaching free trade in the west while the Minister of National Revenue is a protectionist in Ontario? The result is exactly what you might expect, a species of tariff paralysis. The government cannot move in any direction, no matter how hard it tries; some one is always hanging on to its coat tails and pulling in the opposite direction. The government keeps moving simply in a circle, while the needs of industry are forgotten in the needs of political exigency. You get exactly the result you might expect to get. To-day industries here and there—I am not speaking of the farmers but of manufacturing plants—are idle; the Minister of the Interior can find plenty of cases in this province where men are out of employment because goods are being imported from foreign countries. Men are walking the streets and getting their bread from the municipalities, and the Prime Minister says the municipalities should feed them.

I submit, Mr. Speaker, that in the government of this country two things are essential; first, the principle of cabinet solidarity, and second, that a government which talks about its policies shall have some definite policy rather than the policy of helpless drifting.

Mr. W. K. BALDWIN (Stanstead): Mr. Speaker, there has been unemployment since time immemorial. The worst I remember was directly after the American civil war, when Ontario and Quebec were invaded by armies of men who were willing to do any kind of manual labour for their bed and board.

I was amused the other evening by the remarks of the hon. member for Inverness (Mr. Macdougall). He flayed the Minister of Labour to the best of his ability, even accusing him of using bad grammar. While he spoke I thought that if his teachers and professors could have heard him they would have wept for his own inaccuracies and mistakes. The hon. member went on to claim that the Prime Minister was not what he should be, and so on. I want to tell my hon. friend that I happened to be in the United States during the last presidential election, and while I was there I heard some prominent people arguing about magazine interviews with the two candidates. While they were speaking I said, "How would your candidates compare with the Prime Minister of Canada?" For a few moments they stopped their argument, and both said, "We have no such men over here. We had to appeal to the gentleman who is now the Prime Minister of Canada to come to this country at a very strenuous period of its history." They referred to a time when capital and labour were at swords' points throughout the land, and the American government wanted a man who could cope with the situation. Princeton, Harvard and Yale universities were questioned, and each institution gave the name of Right Hon. W. L. Mackenzie King. He went to that country and

saved hundreds of millions of dollars by starting industry working again; strikes were stopped almost entirely and capital and labour declared peace. That was a work worth while.

Then the hon. member for South Wellington (Mr. Guthrie) said there was an immediate need for this government to vote $500,000, $1,000,000, $2,000,000 and finally $3,000,000 for the relief of unemployment. Ever since I came into this house I have been in favour of making all criminals work for their living; I have opposed keeping people in prison in idleness. I would not give any money to ablebodied men who are able to eat their three meals a day. Surely we can find work for them to do somewhere. In the state of Vermont they are providing work in the beautifying of the sides of the highways, the removal of eyesores and obstacles and all that sort of thing. There is plenty of work in this country. I should like to ask the hon. member for South Wellington if he does not agree with me that to give money promiscuously throughout the country would be equal to the dole system in England, which has practically destroyed that country. I would not be guilty of doing such a thing as that. I am sure the hon. member for Halifax (Mr. Black) and the hon. member for Lincoln (Mr. Chaplin) would agree with me, if they were in their seats. The thrifty man who has managed to accumulate some means does not desire to give his money to loafers.

Of course, I would not see a mother or a child suffer for food, but I say that able-bodied men in this country should not be fed at the expense of any government, unless they work. Certainly we can find work somewhere; we could build a trans-Canada highway across Canada, if necessary, but I never would vote for any measure which would grant money to idle able-bodied men. I believe, with the hon. member for Comox-Alberni (Mr. Neill), that men loafing six weeks become hoboes, and men loafing six months in many cases become criminals. I believe that is altogether too true. I think laziness is a habit; after a time an idle person begins to hate work and will not support his family. Even criminals in prisons would work, if I had my way about it. They could do something; they could be taken on the land in the summer and help till the soil. It is a terrible thing to keep these criminals there in idleness, the young and old together, the criminal who has committed a minor offence herded in with the hardened criminal. That is a terrible state of affairs, and I would not allow it nor would I vote any money to be spent in supporting that class of people. There is enough labour to be performed in this country. If the people who are without labour would work in conjunction with the municipalities and with the provinces, perhaps this thing could be worked out if the promise was given only to assist those who would work.

Who is to say that the Canadian Pacific Railway and the Canadian National Railways and other great corporations are not to get people from foreign countries? The presidents of those great railways have said for years that our railway and canal systems and the other great institutions of this country require at least a population of 15,000,000. When the United States was getting together its great population no immigration barriers were raised. People came to the United States from the utmost parts of the world. They came from many countries where the return with a thousand dollars would enable them to live in comfort for the remainder of their lives. The Canadian Pacific Railway Company has great tracts of land which were granted to them before they built that railway, and they cannot sell it to Canadian people. Canadians do not want to work upon the land because their sons and daughters have been educated to enjoy the amusements and frivolities of the cities. They must have those amusements even although they have no money; they figure that they can commit some crime to put something into their own pockets, or get into somebody else's pockets. This country cannot be developed without that vigorous class of people from Scandinavia, Norway, Sweden, Denmark and Germany. We have some wonderful examples of what those people can do, and settlements can be found in the province of Ontario which demonstrates the thriftiness of that class of people.

Our people seem to have gone money crazy. Most of the girls in the country say openly that they will not marry anyone but a millionaire. If that state of mind continues, the birth rate will be controlled because that class of people do not want to be bothered with children.

The United States allowed people to enter that country without the least restriction. For many years on an average of 1,000,000 people annually arrived at Ellis island. Many of those people arrived in the early part of the year and returned home in the fall to remain there during the winter months. But that was possible because transportation by both land and sea was very cheap. People went on the land fifty, sixty and seventy years ago to obtain a living, but to-day their only thoughts seem to be as to how they can

enrich themselves. They become unhappy and troublesome and do not possess that love of country which would give them the desire to stay on the land and reap the return of an enhanced value. I have met people from the United States who settled on the land forty or fifty years ago and who are now able to rent their farms at such a price per acre as to provide them with world tours, from which they return once a year to collect their rents. They were a fine class of old country gentlemen, who lived quietly and biologically; they kept themselves free from disease and foolishness by sane life on the land. I am told that there are settlements in Ontario and in the northwest of people who have gone to those localities and who have stayed there. I do not know whether or not they built the so-called dug-outs, or whether or not they built pole houses with thatched roofs, but they became thrifty, they own their land and have money with which to buy additional acres. That is the class of people we must get to populate this wonderful and magnificent country. Our boys and girls will not consider a life which requires so much labour and which deprives them of the amusements and frivolities of city life. They want to have automobiles and spend their time running and gadding about the country.

This may not be the time to mention this subject, but I was told by an aviator in Montreal—by the way, I believe in aviation, although I do not care to go up myself at the present time—that out of twenty-eight accidents which occurred last year in Canada, twenty-seven were caused by the man at the controls. I will not mention this terrible accident here in Ottawa, outside of saying that my friend knew that aviator very well. It will be necessary to enact more stringent laws than we have to-day, governing the licensing of air pilots. If we had enough Lindberghs in this country there would be very few accidents, and if I remember rightly, Lindbergh was a Scandinavian. I think his mother came over from Norway or Sweden, and she is now teaching in the state of Michigan. They said Lindbergh was crazy, but he did not prove to be so crazy when he left America to cross that boundless and ice-covered territory for Europe. If Lindbergh were in this city to-day, and had the time I would not hesitate one moment to go up in the air with him. Tests should be made of those men who are to guide these ships of the air. They should live according to all biological rules, and not be excessive in anything. They should not partake of any stimulants, and should be clean livers. But, Mr. Speaker, I do not suppose that these remarks would apply to the relief of unemployment.

[Mr. Baldwin.]

Unemployment is caused largely by the great increase in inventions. Many newly invented machines are doing the work of several people, but there is one class of people who come from the old country, for which there is a great need—domestic servants. In the eastern townships there is a continual waiting list for this class of immigrant, and it is almost impossible to obtain a domestic who will remain a domestic for any great time.

Men cannot be found who do not insist on employment for the full year. Generally speaking, the farmer can employ only one man and woman for the entire year, although he may need additional help during the summer season. In olden times there were plenty of unmarried men who would remain with the farmer or the lumber man during the slack season for a nominal amount plus his board. But there is no more of that; they say: "If I cannot get the big pay I got when you needed me, I will not work for the small pay when you have not much for me to do." Domestic service is one of the best employments in this country for an uneducated girl, because she gets her board and generally she has as good a room as any member of the family; in fact, she is usually regarded as one of the family. If she is getting $5 or $6 a week, she does not realize that her room may be worth $5 or $6 a week and surely her board is worth as much. If she were to go to a city for employment and secured a job at $15 a week, she would hardly be getting as much as she does as a domestic. But she thinks she does not have as much liberty as the girl in the city. Perhaps not, but by staying on as a domestic and learning what a wife's duties should be she has a much better chance to become a healthy girl and a good wife and mother.

To come back to the unemployment question, it seems to me so silly—because, as I said at the beginning, unemployment has been with us from time immemorial—to raise all this hue and cry and berate the Minister of Labour (Mr. Heenan). The hon. member for Inverness (Mr. Macdougall) made against our esteemed minister bitter charges which were very different from what the hon. member for St. Boniface (Mr. Howden) had to say about the minister. I do not believe any hon. member in his heart of hearts would defame the Minister of Labour; nor do I think in their right minds they would make against the Prime Minister (Mr. Mackenzie King) accusation not befitting at least a young member

As regards this contention over matters that cannot be controlled there is but one remedy, and that is for the government to carry on public works and to give a fair remuneration to the people employed on them. These works are diversified in character; there are wharves, rip-rapping to keep the rivers in their proper channels, public buildings and highways. I cannot believe it would be a good policy for the government to construct national highways, although the United States are giving vast sums to the different states, and they call the roads so assisted government or state roads. We have in this country many places that can be beautified and made productive by the expenditure of money, let it come whence it may. In this way we could give work to our people who wish to work, and if we have in Canada foreigners who do not want to work, I would have them deported. The period within which they can be deported is five years and we have in this country some vicious men who should have been deported before that period elapsed. About every week when I am in Montreal I see quite a number of people who have just come to Canada, and I am glad to see them come if they will help to develop our wealth; because we heard it said during and after the war that we needed people to develop our natural resources and to help to pay our national debt. Surely if we can get people who will cost the country nothing to bring them here, it is a good idea. Everyone is pretty well agreed that assisted immigration should stop, and I believe no more money should be spent in that effort. Everyone knows that Australia is not very alluring at the present time. There were a few years when Australia was attracting more people, but she is at present in a bad financial position; England does not seem to be getting much better, while Germany and some other countries are getting worse. I do not say that we want a Mussolini to rule in this country, but in Italy the chief ruler makes the people stay on the land.

Some hon. MEMBERS: Oh, oh!

Mr. BALDWIN: That is a fact. Mussolini does not allow people who are living on a farm to leave it.

Mr. CAMPBELL: In this country many people want to remain on the land and they are not allowed to remain there.

Mr. BALDWIN: Has the mortgage been foreclosed?

Mr. CAMPBELL: Certainly.

Mr. BALDWIN: A man who would do that is hardhearted. I have many mortgages, but I have never yet intimated to a man that he should get off the land. I would rather give a man a farm than foreclose him, because the courts are all in sympathy with the man you are foreclosing and you would not foreclose many men before you would get sick of your job.

Mr. CAMPBELL: Probably in the hon. member's province the farmers are not obliged to pay 8 per cent interest on farm mortgages.

Mr. BALDWIN: A good many years ago, in all the border states as you went across the Mississippi right out to the Pacific coast, the ruling rate of interest was from 10 to 12 per cent. It is not many years since you could lend money in Oregon at 8 per cent.

Mr. CAMPBELL: That is what has driven thousands off the land in the United States.

Mr. BALDWIN: That is characteristic in newer sections that are not so well established. The west is a long way off, thousands of miles. The wealthy people in New England lent their money in the middle western states, for instance, Wisconsin, Nebraska, Minnesota, and the Dakotas, and many banks were ruined. When a bank was ruined there was no hope of getting the money back; but if a person lent money out there and saw it was no use to dispossess the farmer but that it was better to hold the land, pay the taxes and wait for better times, he was all right, because the value of land doubled, trebled and quadrupled and the eastern investor who was not avaricious got his money back years later. It is characteristic of America at least that interest has been high to the people on the western frontier, right to the Pacific coast. But I am sorry to learn that in this age of community spirit, with only ten banks now throughout Canada, our people in the west have to pay more than 7 per cent. Seven per cent is the ruling rate of interest throughout the east except to people who can command large sums of money, and of course such people can hypothecate gilt-edged securities and secure money for 6 per cent. Thirteen years ago, when I came to the house, I remember statements being made that the rate of interest was 10 and sometimes 12 per cent, so that conditions have been alleviated to some extent if the rate has been reduced to 8 per cent. I believe, however, that rate will be reduced before very long. The grafters, gamblers and brokers in the United States the year before the collapse of the stock market were getting practically all the money in that country and paying 7 and 8 per cent for it, while legitimate business went begging or even went into

bankruptcy on account of not being able to secure money. Now, with money at 3 or 4 per cent in New York, the situation is different and I suppose interest rates will become easier.

As regards immigration—

Mr. CAMPBELL: Tell us about unemployment.

Mr. BALDWIN: For sixty years the situation has been just the same as it is in 1930. And here we are with a beautiful April shower this morning to release the frost from old mother earth and start her blossoming in all her glory. Is there any reason why people should hang around the cities unemployed? I would vote for a law to make an able-bodied man work.

Mr. CAMPBELL: What if he wants to work and cannot get it?

Mr. BALDWIN: Those are world conditions, my dear man, and you and I cannot do anything about them. I have trouble in getting help to work for me. I have been here two months and my son has written me several letters in that time saying that he cannot get help to start the mill. As a matter of fact, there are more people looking for work and praying that they won't find it than my hon. friend imagines. There are people who want to live and die in laziness. The farmers of this country are working fifteen and sixteen hours a day. Those are my hours, but I would work only nine or ten hours a day if I could get help to relieve me in my store and in my mill and in the woods. Conditions are such that people will not stay in the rural sections of the country. Some woman wants to get out and show her finery, and she does not care how she gets it, by hook or crook.

I am glad the chain stores are developing in this country. The old-time merchants who sell goods on credit now have to compete with the Atlantic and Pacific, the Stop and Shop, the Dominion Stores, and all the other chain stores. It is going to be a good thing for the country. We merchants have lost hundreds of thousands of dollars trusting goods to everybody that wanted them. Some would claim to be sick for six months and would be getting goods on credit, and then when you finally refused any more credit, I have had one say, "I have not been sick a day this winter." He did not tell me that; he was afraid to, but he would send some member of his family. Finally when spring came I would tell such people: It is time for you to get out and shift for yourself.

Mr. CAMPBELL: Tell us about unemployment.

Mr. BALDWIN: I am telling you some of the conditions I meet with. I have already spoken about servant girls. I have had two or three from England, and I assisted them over. The last one had high ambitions. She wanted to be a nurse. She thought Canada was the size of England, and that the little Baldwin mills must be right close to Montreal, Toronto, and Vancouver, that she could jump in a trolley car and reach them in no time. Naturally she was disappointed. My wife told me that she was a lady of attainments. I lent her sixty dollars to go to Vancouver, and she repaid me every cent. Another one, without attainments, wrote me from Windsor saying that she could not get into the United States and would be deported. She wrote me for twenty-five dollars, and I replied; "If you had stayed at my place, you would have had $150 in the savings bank and would not need to borrow."

Mr. POULIOT: Did she get the twenty five dollars?

Mr. BALDWIN: Most emphatically she did not. The Lord helps those who help themselves. I do not put myself on a par with the Almighty, but I like to see people do something for themselves. My hon. friend from Mackenzie (Mr. Campbell) asks me how I would deal with unemployment. I will tell him: Get to work. You cannot put any energy into sissified, pussyfooting and spineless people. If you knock them down, they might get up and come at you. There is no other way under the sun. You can lead a horse to water but you cannot make him drink, and so long as men can stay around the city and town and sponge their living, many of them will not work. There are several ways of begging. There is the polite way of living on your friends, borrowing money from them. That is simply giving your money away because they do not intend to pay you back. The sum of $337,000 has gone out of my office here in the last six years and I never expect to see a red cent back, but my philanthropy is a little less now than it was then. I have learned a considerable amount about human nature, and the man you help most is the one who will evade you, who will not speak well of you, and at election day probably will be the last man to vote for you.

There is no way in which we can sit here and legislate to make people work. Legislation will not stop unemployment. The hon. member for South Wellington (Mr. Guthrie) wants $2,000,000 or $3,000,000 taken out of

the treasury to relieve unemployment. I would not let a woman or child go hungry in this country, and there are hundreds of thousands of other people who feel just the same way, but I would not vote to help an able-bodied loafer. I would make him work if there was any law in this country to make him do it. I know from my own experience that it is easier to do your own work than to get any of that class to do it for you. I think our Minister of Labour is doing all that any minister of labour could do. I notice that my thrifty friend from Halifax (Mr. Black) and my hon. friend from Lincoln, who I understand have accumulated a good deal of this world's goods, are not jumping to their feet and saying: Grab the money out of the treasury to relieve this awful unemployment situation. I have not heard a word from them, not one, and I do not think we shall hear from them in this debate. Are we never going to think of the people in this country who toil and labour and delve, working overtime? If they have accumulated money by their own hard work, are we going to tax it out of them to the last cent? There were too many in the last war who stayed at home and said: We will spend the last dollar. They had a flippant tongue, but no capital, and were mighty glad not to go to the front. I know that class, even ministers of the gospel. It is not laughable.

When we talk about alleviating unemployment, there are old rookeries in Montreal and other cities that we could get rid of and put up public buildings there. I do not want to repeat what has been said about not giving a five cent piece to a Tory government, but I will say this, that if the Tories were in power they would not give a five cent piece to a Liberal government. I was never a very bigoted politician, and I believe there are good people and bad in every party. It may be suggested that one way of relieving unemployment would be to tear down our old, unwholesome buildings and embellish the sites with new and beautiful structures. But then the government would have to go into the rental business, and people who moved in would say: This is government property and we should live here free. There are a lot of people too lazy to work who think they are quite capable of running the country. I do not suppose there is a member here who is not asked by some of his constituents now and again: What are you doing up there in Ottawa? And then they proceed to tell him how parliament should be conducted. Whole multitudes think they should get into the civil service and have soft jobs because a few Toms, Dicks and Harrys under the old patronage system got into the service, although they were as illiterate as jack rabbits.

It takes money to alleviate unemployment. I believe a trans-Canada road would be a good investment, if it could be undertaken. It should be built as far north as possible, say, up by the Hudson Bay railway, so you would hold tourists from across the line the maximum time. Up there they would find it cool and breezy. But I would not allow them to bring in more than a thousand cigars and ten thousand cigarettes. I have known some pretty smart customs officers who thought tourists should not bring in a carload of cigarettes and cigars, but these officers were found fault with because—

Mr. SPEAKER: Time.

Mr. W. K. ESLING (West Kootenay): Mr. Speaker, because of climatic conditions it would be both unreasonable and unjust to charge the government with responsibility for all unemployment in Canada at this time: but where such unemployment is caused directly or indirectly by reason of government policy or lack of policy, then it seems to me that the government should accept responsibility. It is only in connection with the bearing that government policy has on unemployment that I should like to add a few words to this debate.

I regret very much that the Minister of Health (Mr. King) has absented himself from the house, because he is the minister from British Columbia representing East Kootenay, and I simply make this reference in passing for the reason that throughout the province of British Columbia to-day there is no district in which unemployment conditions are more deplorably distressing than in the district which the minister represents. Up until a few weeks ago the coal mines in Fernie were getting out about sixty carloads of coal daily; then conditions changed and the production was curtailed to the extent that fully one half of the coal miners are out of employment to-day and the other half are working only part time. I have before me the Nelson news, the daily paper in that district, which gives details of the actual conditions under the heading:

Fernie miners' children hungry—three hundred miners unemployed following mine shut down—all credit stopped.

Conditions there were so bad that the various communities were called upon to endorse a resolution which was sent to the government. It was sent to the Prime Minister (Mr. Mackenzie King) and also to the minister from British Columbia (Mr. King, Koot-

enay), and I can assure them that those worried wage earners and the distressed mothers and hungry children cannot be satisfied by the usual reply the government give, that "they will take the matter under consideration." The matter became so critical that the miners and people of Fernie called a mass meeting at which they passed the following resolution:

Whereas we have reasons to believe that the Crowsnest Pass Coal Company is controlled by American capital, and whereas we have reasons to believe that at a recent meeting of President Hoover and the chief industrialists of the United States, the slogan of "Buy U.S.A. products" was adopted, and whereas through the adoption of such a slogan the Great Northern Railway cancelled all orders for coal with the Crowsnest Pass Coal Company causing three hundred men to be laid off by the said coal company,

Therefore be it resolved that we the Fernie miners now assembled request the federal government to investigate the now distressing conditions prevailing in the mining district of Fernie,

Be it further resolved the Fernie miners request the federal government to assist in sending in immediate relief and thus relieving the distress now prevailing amongst the miners of the Fernie district.

No. (2), that we request the federal government to stop all immigration until all residents of Canada be employed permanently.

No. (3), that we ask that the moneys now being used for immigration be utilized as a subsidy for freighting coal from Alberta and southeastern British Columbia and so find employment for unemployed miners in this district.

It is interesting to look back to see just how the present conditions were anticipated some years ago. I find that in 1925 the right hon. Arthur Meighen introduced the following resolution:

That to enable the products of the western and maritime provinces to reach more readily the markets, the special transportation burdens borne by these provinces should be shared by the Dominion, either by contribution to long haul freight costs, or by assistance in some other form.

Strange to say the minister from British Columbia, who represents federal policies in that province, voted against the resolution. It will be interesting to see what explanation he will make when he reaches Fernie in a few days. No doubt he is on the way there for the purpose of fixing up his political fences, but he will have so many questions to answer in relation to his stand on matters which are close to the hearts of the people of British Columbia, that I really think it will be rather embarrassing for him.

I want also to put on Hansard a resolution passed at a meeting of the Sandon miners' union last January:

[Mr. Esling.]

Whereas; The present immigration policy of the Canadian government has a detrimental effect upon the Canadian workers, and,

Whereas; All cities in Canada are burdened with unemployment and a large number of them are forced to establish relief work and soup kitchens; we, the members of Sandon Miners' Union, in meeting assembled, contend that no nation can survive on soup kitchens, thus lowering our standard of living, and,

Whereas; The prairie provinces have stated definitely their opposition to assisted immigration, and steamship or railway subsidized immigration, as they have now a surplus of unemployed. Therefore, be it

Resolved; That we demand that all immigration to Canada be immediately discontinued, and that the government take immediate steps to establish unemployment insurance, and be it further

Resolved; That copies of this resolution be forwarded to the Premier of Canada, the Ministers of Immigration and Labour, Jas. S. Woodsworth, M.P., W. K. Esling, M.P., and the Hon. J. H. King.

They, too, recognize the fact that the immigration policy of this government is contributing to unemployment, and it will be seen they ask that immigration be restricted and the policy of unemployment insurance established by the government. I repeat that I regret the minister is not here to state his attitude in connection with these problems.

At this time I shall refer to another matter which is directly connected with government policy, namely, the position of the man on the land. I refer to the man who purchased land, cleared it, planted his crops and hoped to receive some return from his investment and labour. On three different occasions the Minister of Health voted in favour of permitting the entry into Canada of surplus farm products. The strange thing is that the minister seemed to blow hot and cold; when he went through British Columbia he talked one way, and in the House of Commons he voted another way. His statements to the people of West Kootenay and East Kootenay are not borne out by his vote in this house. Having voted to permit the influx of these surplus farm products, he went into the Okanagan district and said that the Dominion government was fully alive to the situation created by the lack of anti-glut duty on vegetables. It seems incredible that any minister of the government could hope to ride two horses at once, but we find that to be the policy of the minister from British Columbia.

There is another question of policy arising out of the matter of highways. There is no doubt in the world that the construction of highways would have absorbed much of the present unemployment. To my mind there is nothing which the people of British Columbia

would welcome more than highway construction, and there is no doubt that it should result in the construction of a trans-Canada highway. In the year 1919, the government contributed $20,000,000 for that purpose, and the resolution of the hon. member for Athabaska (Mr. Kellner) merely asked for a continuation of that grant, so that the provinces could carry on the work. Surely such a building program would have materially relieved the present unemployment situation, and opposition to such contributions must necessarily be the policy of every Liberal candidate in the coming election. The minister from British Columbia voted against any aid to highways.

Hon. members in this house will no doubt remember the resolution of the member for Peace River (Mr. Kennedy). He asked for the immediate construction of a Pacific coast outlet from the Peace River district. He did not stipulate a specific route, but asked that the best possible route should be taken. He did not tie the government down to anything in particular, but merely advocated construction by the best possible route. In this connection we find the minister from British Columbia going into the city of Vancouver and other cities along the coast, and telling the people how enthusiastic he was about the Pacific coast outlet, when only two or three months previously he had gone on record in this house as being opposed to it.

I wish to make some remarks about the Doukhobors. I do not touch upon this subject for the purpose of amusement, because we have had enough amusement in connection with this very serious situation. The position of the matter is serious, particularly in its relation to unemployment. The Doukhobor settlements are fast growing communities. In those districts we find two or three Canadian citizens who may have put all they owned into a piece of ground ten or twenty acres in extent; they have planted an orchard and have made a living. The Doukhobors have come in and bought the property of one of the settlers, with the result that the other two move away. Canadians will not live alongside of these people; they do not want to, and nobody wants them to, I told you before of an instance where a whole Doukhobor family was working nude in the field, and the wife of the neighbouring farmer was compelled to submit to the embarrassment caused by such conduct. These people are not only making it impossible for the Canadian farmers, vegetable growers and others to compete with them, but they are entering other fields of industry. I may tell you that the late Minister of Immigration and Colonization, Mr. Forke, sent to British Columbia and received a special report on Doukhobor activities. In that report there is information as to how men were being driven off the land because the Doukhobors had no hours of work, no wages to consider, and their products were turned over in competition with those of the local farmers. To-day we find the Doukhobors are an important factor in the pole and tie industry. In 1928 there were 31,000,000 feet of poles cut in British Columbia. Of that total 21,000,000 feet were shipped, and much of this was controlled by the Doukhobors. Surely when we realize that these people have entered into the different fields of industry in competition with Canadian labour, we appreciate the fact that we have another reason for unemployment. I wish to refer to the policy of the government in regard to these people, and to point out that although they were admitted to this country as far back as 1898 and bonused to come here, they were excluded by the Conservative government in 1912. Things progressed very well until 1926, when the minister from British Columbia, conscious of the competition which existed, joined the government in passing an order in council throwing down the bars and inviting more Doukhobors to come in. I shall be keenly interested to learn how he will explain this matter when he goes before his constituents. This is a policy which each Liberal candidate in the Dominion of Canada must accept when he enters the coming election. We find the minister from British Columbia absolutely out of step with all the policies in the immediate interests of the people in his constituency.

In regard to these matters I want to fortify my contention by specifying certain matters in respect of which the minister's attitude is on record in Hansard, so that there can be no controversy about it. In the first place we find the minister on record as being opposed to grants for the Pacific coast outlet from the Peace River district. We find him opposed to technical education. He has placed himself on record on three different occasions as being in favour of the importation of surplus farm products at glut prices, and he is also on record as being opposed to giving the returned men the benefit of the doubt in their applications for pension, in cases where disability has occurred after discharge. We find him on three further occasions opposed to the abolition of the sales tax on boots, shoes and clothing; these are commodities which the unemployed must buy. He is on record as being opposed to federal aid for the construction of highways, and he is in opposition

also to any contribution in connection with long haul freight costs on western products. Western products are products of British Columbia, and products of the coal mines at Fernie; and he is therefore on record as being in opposition to any contribution to long haul freight costs on Fernie coal. There is another paragraph in the resolution which places him on record as being opposed to any other kind of assistance in the marketing of Fernie coal, so I am sure the minister will have a very pleasant time fixing up his political fences when he reaches home again.

I have referred to these questions purely as matters of policy affecting unemployment. There is no doubt that the minister, together with every other Liberal candidate at the next election, will have a hard time explaining just what are the policies of this government, and why he supports so many government measures which are contrary to the interests and welfare of the people of Canada.

Mr. A. E. ROSS (Kingston City): Mr. Speaker, before I come to my remarks, which will be rather short, I should like to refer to some of the points brought up by the Minister of the Interior (Mr. Stewart, Edmonton). It seems to me he did not attempt to deal with that part of unemployment which affects the municipalities and which has become a burden to them. He mentioned seasonal unemployment with regard to fishermen and sailors. I come from a constituency in which there are very many of these two classes of people, and I find that we have very little trouble with them. They are employed in the summer; they count the summer as their year of employment, and they are no burden and no menace to the municipalities.

Then the minister suggested that the municipalities might take upon themselves the construction of sewers and work of that kind during the winter. I might remind the minister that this already has been done by almost every municipality in Ontario. He also referred to the fact that building operations might be extended into the winter, but the men who are engaged in the construction of buildings do not enter into the question of unemployment. From the statistics issued by the department here at Ottawa it will be seen that the list of unemployed does not contain any union men so that the references of the minister to the fishermen and the sailors, the construction of sewers and the extension of building operations do not really go to the point at all.

This amendment has occasioned quite a lengthy discussion, which indicates that the subject is a live one in many parts of this great Dominion; that it is not only a matter of local interest but that it has a wider aspect. The hon. member who moved the amendment evidently had this wider aspect in mind when he moved his amendment, but those hon. members who have spoken for the government have put the question on a very low plane. The speech of the Minister of Labour indicated that this was merely a question of party politics, but as we all know that is not the case.

Reference has been made to the calling of a conference to discuss this matter, and it was thought that such a conference, if called, would have done a great deal towards the solution of the problem of unemployment. However, the government refused to call such a conference, and nothing has been done. So far as I can see, nothing but good would result from such a meeting; you cannot enter into discussion of this great question without taking many interests into consideration, and surely the calling together of men representing different interests all over the Dominion would bring about at least a sincere consideration of the question. However the government has chosen to disregard that suggestion and has ignored the wider aspect of this grave question.

I know the Minister of Labour has a really warm heart and would turn from his way to help the poor, hungry people of this country, but in the provincial legislature, where I knew him very well, as well as in this parliament, evidently he fell in with very poor company. At all events, he has been unable to influence this government It may be that he had the wrong password in approaching the mercy seat; he may have taken the great book Industry and Humanity with him; but I am afraid that book has been given the wrong title—it should be called Industry and Party Politics.

The Prime Minister has refused the amendment, and I think during the course of his speech he made the greatest slip of his political career. Prime Ministers always have been looked upon rather as the fathers of the people, persons to whom suffering men and women can come and relate their miseries. However, our Prime Minister of to-day has lost that human touch; the working man of Canada now must assume his party toga, put on his party stripe and approach the throne if he wants a job. This has been the case in Ottawa; working men have paid their dollar fee, secured a badge and card, and then have been sent down to the party leaders to see about it. Even now that Liberal working man in Ontario is forgotten by the

Prime Minister, who says he will not give one five-cent piece to any Tory government for unemployment. The Prime Minister must mean by that, if he means anything, that the Liberal working man of Ontario must go to Prince Edward Island or to Quebec if he wishes to receive any aid from the federal government. The Prime Minister has hoisted his flag and sounded his slogan, which is "Vote Liberal or starve".

In answer to the Prime Minister, however, who has laid this great burden first upon the municipalities and then upon the provinces, and who has been seeking out funk-hole after funk-hole in which to shelter himself, I would say that funk-holing will not relieve him of his great responsibility in connection with this matter. There are very strong associations relating this question to the federal government. The Department of Trade and Commerce has been referred to; the making of treaties, with their consequent effect upon the people of this country, has been brought up also, and I shall not discuss it further. The fiscal policy of the government has affected unemployment. I would like to draw the attention of the Prime Minister to this fact; in my constituency at least two industries have been forced to cease operations because of the fiscal policy of this government. What is the position of a man who has been put out of work because of this fiscal policy? First, he may become idle; second, he can move over and take the other man's job; or, third, he may migrate. Whatever course is followed, unemployment is produced by an act of this government. The great textile industry has been affected, and one plant in my constituency which filled a great need in providing mixed employment has closed its doors. These employees have the choice of idleness, taking the other man's job, or migrating.

The effect of immigration upon unemployment has been mentioned, and I do not intend to discuss that phase any further. Unemployment lies at the root of practically every social problem in this or any other country, and the present government cannot escape responsibility. Crime increases during the days of unemployment, and such crime always affects to a great extent the life of the community. I do not think that any citizen of our land would not prefer to have a full dinner pail rather than free government rations in a penitentiary, jail or prison.

The great number of unemployed are not affected by the excuse offered by the government that much is being done for the returned man. The returned man claims as his right that which has been done for him, and that fact cannot be offered as an excuse to the unemployed. The government having refused to discuss or consider the wider aspects of this question of unemployment as brought out by the amendment, we are driven to this course; the only thing remaining for us to do is to bring to the attention of the government some local matters which are affecting unemployment in our different constituencies. Although I do not agree entirely with the Minister of the Interior (Mr. Stewart, Edmonton), he has said that seasonal unemployment affects every constituency where the labouring man is to be found. There is much that the government could do to relieve this situation. It is quite true that the railway companies have been urged to continue construction work, and that the manufacturers of locomotives and cars have been asked to keep their plants running, but the government should go a step farther and see that the work is continued throughout the winter time. Contracts have been given in my own city which could just as easily have been started in December as in February.

It has been claimed that the government is rendering assistance through the large construction works being carried on. In most cases of this kind a large mass of labour is moved from some unknown point into the locality where the work is under construction, to the disadvantage and to the ousting of local labour. That situation applies to every large construction work carried on by the government. The government should see that local labour receives the benefit or its share of such work.

This government has given contracts for the construction outside of this country of many necessities which could be manufactured within the country. I take my stand with the hon. member for East Simcoe (Mr. Thompson), who mentioned the building of ships. When the claim was made that these ships could have been constructed in Canada, the only reply given by the Minister of the Interior was, "Oh, nonsense." Does the hon. minister believe that the Canadian workman has an inferiority complex, and thinks that this work cannot be done in Canada?

Mr. BENNETT: They wanted to build the navy here.

Mr. ROSS (Kingston): The only reply we received was, Oh, nonsense. We were told by the Minister of Trade and Commerce that it would cost 40 per cent more, but if the Minister of Trade and Commerce (Mr. Malcolm) were to use the same method as practised in giving coal contracts, this difficulty could be overcome. I have before me a return brought down this year which shows

that tenders were called for coal supplies. The friend of the government was not the lowest tenderer, and what did they do? He was given two successive chances to bring his tender down below the lowest tenderer. If the Minister of Trade and Commerce would adopt that method, many articles at present manufactured outside of the country could be built in Canada. The Minister of Trade and Commerce must know of the investment in shipyard equipment, and he should realize that something should be done for this industry. Over $100,000,000 is invested in this industry; we have dry docks, and we are extending others to accommodate larger ships, but if ships required for Canada are not built in Canada, what chance has that industry to develop? Is this $100,000,000 to be thrown away, and are the efforts made to build up this industry to be ignored?

Surely the government can give some further consideration to this industry, which in turn affects a great many other industries. Our steel mills, the carpentry trade, our railroads, are interlocked; in fact, I do not think there is any industry which affects so many other industries as does that of shipbuilding. If the Minister of Trade and Commerce would only give our shipyards a chance to repair Canadian ships he would be doing something. Year after year, I have brought to the attention of this government the difference between the attitude taken by the United States on this question and the attitude taken by Canada. When an American ship comes to a Canadian port to undergo repairs, she is taxed 50 per cent of the cost of the repairs when she returns to her home country, but Canada does not make the same provision. If the directorates of our steamship companies were placed on the same plane as they are in the United States, then we would have more ships built in Canada and more repair work would be carried on in our dry docks.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. ROSS (Kingston): Before six o'clock I had pointed out that the amendment implied a consideration of the wider view of unemployment; that the suggestion of a conference was merely an attempt to crystallize the Canadian view; that it would gather together people with many varied interests and would be followed by beneficial results, and without any injury, even though it failed to effect a complete cure. The government, however, refused to consider the wider aspects of this subject and chose to discuss it from the lower plane of party politics; and perhaps the lowest plane was reached by the Prime Minister when he avowed—not once; but repeated that he would not give five cents to any Tory government for unemployment. The slogan, therefore, in the next election will no doubt be: Vote Liberal or starve. It has remained, therefore, for us to point out where unemployment could be reduced by government action, and before six o'clock I had been discussing shipbuilding and repairs to shipping in this province.

I had pointed out how the United States protected her shipbuilding and ship repairing. Perhaps I can best indicate in a few words the interest they take in the matter of providing employment for their people in this work by saying that under the United States law no ships may engage in coastwise trade unless they are built, owned and documented in the United States of America; while, for many years, the Canadian fleet has not been a credit to Canada or to our national industry. Secondly, on repairs to American vessels made in Canadian yards the United States collects fifty per cent duty at the first port of call. Canada's rates on repairs to Canadian vessels in American yards is twenty-five per cent only, and that is payable only if and when the vessel reenters Canadian coastwise trade within a year. The house will readily see, therefore, that American vessels will take care to have all their repairs done in American repair yards, and that very little of it will come to Canadian yards. But if the government are alive to the interests of Canadian workingmen they can see to it that these repair yards of ours, as they are on the inland lakes at least, get their fair share of repair work. That would affect beneficially several constituencies in this province. As I said at the beginning, the government having refused to consider the wider aspects of this question of unemployment, we must come down to these local conditions, drawing them to the government's attention and requesting the government to take an interest in the protection of Canadian workingmen.

Closely allied with that subject has been the government's refusal to assist in technical education. With ship repair yards in this country actively engaged, we can provide employment for a great many of our workingmen; but with technical education I think we can do very much better. I look upon unemployment, as has been pointed out so many times in this debate, as a fluctuation.

Men in this country are drawing away from what you would call pick and shovel work to employment demanding more in the way of technical education; we have a very large field for their technical skill, and as a result a small field for those without technical training. That condition could be corrected by taking care to give the boys who are growing up to the age of manhood a technical education that would at least lead them into the fields of technical work and fit them for those skilled occupations for which there is a greater demand in this country.

I am not going to take further time. I have drawn the attention of the government to these conditions which are, I confess, local to my own constituency, and pointed out how the government could provide employment for many men. I would ask the government seriously to consider that technical education has a great deal to do with unemployment in this country, and I think that any federal government would be well repaid for any expenditure that it made for this purpose. The government would be well repaid to look at this thing from a humane standpoint. I know that there are a good many warm-hearted men amongst the ministers; I know that our friend the Minister of Labour (Mr. Heenan) if he were only free from the company he is with, would look at this question from the humane side, instead of supporting the laying out of great parks and public squares and the beautifying of capitals, not only in this country, but elsewhere. If the government would only look behind all this beauty and see the frantic condition of the unemployed father and mother, and the pitiful condition of the hungry children and emaciated boys and girls, if they would only consider the plight of the boys and girls handicapped by the want of food and care, I feel that I should not appeal to them in vain. We want a big, strong, healthy population, and we have the country and the stock to produce it, but if this unemployment situation continues, if the government lets our boys and girls go hungry and obliges them to stay away from school for want of clothing, then there will be produced a condition in this country that it will take a lifetime to bring back to normal. Above all, when we bear in mind the vital issues at stake, we should not be concerned whether this is a municipal, a provincial or a federal matter; we should view it from the standpoint of the future of Canada, and deal with it in the interests of our boys and girls, the coming men and women of this country.

Mr. G. G. COOTE (Macleod): Mr. Speaker, like many other members, personally I am very tired of this debate, and were it not for the fact that there is a great deal of unemployment in my own constituency, I would not take up the time of the house by speaking to-night. I am sure most of us are rather sympathetic with the Minister of Finance (Mr. Dunning), who is anxious to get the house into committee of supply. But in my constituency there are a large number of unemployed men, particularly in the coal mining area. When I was there last December I found most of the men were working only one day in the week and occasionally two days. There are five large mines in the district, and I think that statement generally would apply to them all. I find on inquiry from the bureau of statistics that last year —1929—the Hillcrest Collieries worked 192 days; the International Coal and Coke Company mine at Coleman worked 190 days; the McGillivray Creek Coal and Coke Company mine worked 210 days; the West Canadian Collieries Greenhill mine worked 176 days, and at Bellevue 173 days. This means that if a miner worked every day the mine was open at Bellevue he would get 173 days' work in the year. That man must be on hand ready to answer the call of the mine whistle every workday in the year if he wishes to get in that 173 days' work. Taking all the mines together they averaged only 188 working days in each mine.

This is a very important industry. The output of this district,—and it is practically confined to these five mines—in 1928 was 1,639,000 tons. Bearing in mind what I have just said, that one of these mines worked 173 days in the year, I should like to give to the house some figures as to the wages these miners earned. I am quoting from an article entitled Mining Conditions in Alberta, which appeared in The Canadian Unionist of February, 1930. It is written by Frank Wheatley, Vice-President of the All-Canadian Congress of Labour and President of the Mine Workers' Union of Canada. He says:

> Contract miners earn as much as eight to ten dollars per day, and as little as $5.40 per day in the organized sections of the coalfield. In the unorganized sections wages are often as low as $2.50 per day, and these low rates are as inimical to the interests of the coal-owners as a whole as they are to the welfare of the miners who receive them. The day-wage scale runs from $4.20 for outside labourers to $5.50 for skilled workers, such as carpenters, mechanics, etc. Labourers inside the mine are paid $4.45; horse drivers, $4.90 to $5.25; miners, timber-men and track-layers, $5.40 to $5.57.

Any miner who worked 173 days at $4.20 per day would earn a total of $726.60 in the whole year. The highest paid labourer outside the mines is paid $5.50 a day, and if he worked 173 days he would earn $951.50. This man must hold himself in readiness to work any weekday in the whole year to earn this amount. Most of these men have families to keep. Personally I do not think anyone in this house would say that any of these miners could possibly keep his family for a year on that amount.

I have here a letter from the Secretary of the Mine Workers' Union of Canada at Coleman, dated January 14, 1930, so this is comparatively recent information as to the situation there. He says:

> The International mine is working on an average of two days per week, and there are around 200 men employed.

I may add that when that mine is working at full capacity in the summer time it employs from 400 to 500 men. He continues:

> The McGillivray mine is working with 250 men. The miners' union has spent about $1,800 on relief.

That is, the miners' union at Coleman.

> The companies have not donated a cent in cash, but through our efforts we got about 25 married men at the International mine and 13 married men at the McGillivray mine temporary work.

I am only quoting briefly from this letter as I do not wish to take up too much time. The writer goes on to say:

> There is no indication that work has or will improve in the near future and although we have obtained temporary relief for the majority of married men at the present moment we have still a serious state of affairs confronting us. There are between 60 and 70 single men in the camp who have done no work since July and we cannot get the authorities to do anything for them. The union has reached its limit in this direction and what is to become of them is a problem. The majority of them are immigrants brought to this country under the present immigration policy supposedly for another class of labour, but drifted into the mining camps thus creating the present situation.

That is one of the grounds on which I wish to bring the attention of the federal government to the situation existing there. The problem is due largely to our immigration policy or lack of policy. I want again to emphasize one point in this letter. The writer says:

> There are between 60 and 70 single men in the camp who have done no work since July.

That is six months. You might wonder how these men have lived. Let me relate the experience of an immigrant that I met in Coleman. He came to Canada in 1928, taking advantage of a harvester excursion from England. He worked in railway construction gangs for a few weeks in the fall of 1928 and was finally sent to Coleman by the employment office at Calgary. When he interviewed the gentleman whose name had been given to him by the employment officer, he said he did not want any men for three weeks. This man and two others who went with him stayed at Coleman for three months before they secured any work at all, and during that time they were boarded by a Chinaman who runs a boarding house there. These men said to me, frankly, they did not know how they could have existed if it had not been for the bigheartedness of the Chinaman in furnishing them with board and meal tickets for the three months before they got work.

I think the Prime Minister (Mr. Mackenzie King) in outlining the policy of the government towards the question of unemployment relief said that the first duty of providing such relief must fall on the municipalities. I want to show the government how impossible it is for a municipality like Coleman to take care of the unemployed that are there at the present day. In this town seventy per cent of the taxes are levied on the homes of the miners themselves. Now, if the miners are working on the average only 188 days in the year at wages such as I have quoted, how is it possible for that town to take care of the local unemployment situation? It may be possible for the larger municipalities to take care of a problem such as this, but it is not possible for small municipalities, such as those in these mining districts. In this case, the municipality, I believe, have spent $1,000 in relief work. They gave work for the purpose of assisting these men who were in need of relief. Yet that thousand dollars is only a drop in the bucket to what was really required. The miners themselves have suggested a remedy for the situation as it there exists. I may say that over 90 per cent of the coal produced in this bituminous coal district is taken by the railway companies; in this particular case I think it is practically all taken by the Canadian Pacific Railway Company. The railway companies take the bulk of their coal during the months of April, May, June and July; sometimes they begin taking it out in the month of March. Because of an immigration policy under which a large number of the miners have come from the old country under the guise of agricultural labourers, the mining companies have been able to put on as many workers as they wished. They work

the mines to full capacity, and are able to fiill the orders of the railway company in four or five months of the year; for the remaining six or seven months the work slackens down to one or two days a week. The suggestion of the miners is that if a conference were arranged between the operators of the mines and the railway company, the railway company might be persuaded to spread their orders over a longer term of months. The miners' union passed a resolution last November dealing with this matter, and I think I shall take a few minutes to read it so that it may be recorded on Hansard. It is as follows:

Whereas the period of time worked by the coal miners of the Crowsnest Pass mining district of Alberta is yearly becoming less though each year a larger tonnage of coal is produced;

And whereas it has been the practice of the coal mining companies to employ many hundreds of transient miners for a few months of the year to meet the orders for storage coal required by the Canadian Pacific Railway from that district, with the result that those workmen engaged in the mining industry permanently are not able to obtain sufficient work during the balance of the year to secure a living for themselves and their families causing the expenditures of much money by the provincial government, municipal councils, and the trade unions for relief purposes;

Therefore be it resolved that repesentations be made to the Canadian Pacific Railway Company on whose railway system 90 per cent of the coal productions from the said mining district is used, asking this company to so regulate their orders for coal that the productions may be spread over a longer period of the year, thus enabling those persons permanently required to man the industry throughout the year to obtain a livelihood without further having to seek relief from various sources; and, failing satisfactory adjustment along the lines suggested, that the federal and provincial governments be requested to institute a measure of control within the industry through the appointment of a body similar to the present railway commission under whose direction such mismanagement shall be corrected.

This matter has been brought to the attention of the Minister of Labour (Mr. Heenan). I first brought it to his attention last year and received his hearty cooperation. It might fairly be said that due to his efforts the situation at the present time is better than it wold have been had he not intervened. At this time I wish to ask the Minister of Labour to go a little farther and to try to arrange such a conference as has been suggested. I think that the operators and the Canadian Pacific Railway Company should both be represented at this conference, and it is my opinion that the federal government might take the initiative in arranging it. The men who are keeping up these towns and keeping up their schools are what might be called the permanent employees of these mining companies. I think in all fairness the work should be confined largely to them, and it could be done without any great inconvenience to the railway company. I ask the Minister of Labour to urge upon this government the necessity for initiating such a conference. May I point out to the Minister of Labour the seriousness of the situation at the present time? Because of the small crop which had to be handled last year I understand that this year the railway companies are asking tenders for half a million tons less coal than they took in 1929, and if no action such as is suggested is taken we will have more unemployment than we had last year.

The Minister of the Interior (Mr. Stewart, Edmonton) asked this afternoon for some concrete suggestions. It is my intention to accede to his request, and to put some suggestions before the government. The operators of the bituminous coal mines in Alberta and eastern British Columbia have estimated that 465,000 tons of American bituminous coal are consumed annually in the province of Manitoba; this figure does not include the coal consumed by the railway companies. I am informed that the Canadian Pacific Railway is using Canadian coal as far east as Kenora, and I make that statement because someone said yesterday that American coal was being used as far as Moose Jaw.

Mr. ADSHEAD: You are referring to Alberta coal.

Mr. COOTE: Yes. These operators have made formal application to the Federal Government for a subvention of the freight rate to the extent of one-fifth of a cent per ton mile on bituminous soal shipped from Alberta and eastern British Columbia and sold in the area east of the Manitoba-Saskatchewan boundary. The application is very short, and I shall put it on Hansard:

Whereas the Dominion government recognizes the advantage to the Dominion of Canada as a whole by an extension of the markets in Canada for Canadian coal;

And whereas this recognition is now being made in a practical way by a subvention of freight rates on shipments of Nova Scotia coal to markets in Ontario and Quebec, and by a subvention of freight rates on Alberta domestic coal sent to Ontario market;

And whereas Alberta bituminous coal is now receiving no such subvention or assistance;

And whereas the bituminous coal mining industry in Alberta is in a very serious plight because of the lack of markets, which naturally is causing a great deal of distress among the employees connected with the industry;

And whereas Alberta bituminous coal cannot now be marketed in Manitoba and eastward on account of competition with United States coal;

And whereas a substantial market exists in Manitoba and eastward;

Be it resolved that the Dominion government be informed of our situation and approached for a subvention of freight of one-fifth of a cent per ton mile—the same as Nova Scotia—for all bituminous coal shipped from Alberta and sold in the area east of the Manitoba-Saskatchewan boundary.

A subsequent memorandum was presented to the government. I shall not take up the time of the house to read it fully, but I shall quote briefly from page 3:

In connection with our request we wish it to be clearly understood that the subvention asked for is with reference to the displacement of United States coal only and does not contemplate a straight subvention on all coal shipped to Manitoba from Alberta and eastern British Columbia. Similar arrangements to those employed for the movement of Nova Scotia coal under order in council P.C. 539 could be made for the province of Manitoba and thereby avoid any interference with the present movement of coal to Manitoba from the west.

Mr. ADSHEAD: Kenora is in Ontario; do they not get a cost rate for coal?

Mr. COOTE: They do not, as far as I know; all that coal is going to the railways. I do not think any of this coal is going east of Winnipeg except what is used by the Canadian Pacific Railway. The operators in Alberta are paying a very heavy freight rate on their product to Winnipeg. The rate from Bellevue to Winnipeg is $5.10 per ton. That is a distance of 841 miles. The cost from Fernie to Winnipeg is $5.30 per ton.

I should like to repeat something I said a moment ago: This year the Canadian Pacific coal requirements will be something over half a million tons less than they were a year ago, and certainly that will cut down employment a good deal. Just here I might quote one sentence from a letter which I received from one of the operators recently. He said:

You will readily understand that the subvention is absolutely necessary if we are even going to approximate last year's working time and if that fails, there is going to be more distress among the workers than ever.

I should like to mention also, Mr. Speaker, that I have received numerous telegrams and letters from the different locals of the miners' union in that area, all asking that this subvention be granted. I believe the secretary of the operators' association wrote to the minister suggesting that this arrangement might be made for a period of three years, which would give the operators time to prove that their coal is just as good as some of the American coal which finds so much favour in the Winnipeg market. The word "Pocahontas" when used in connection with bituminous coal, seems to be like the word "Keen's" when applied to mustard; we know there are other good brands of coal on the market, but if a person can say "this is Pocahontas coal" it seems to sell right away. I believe that if this subvention could be granted for a period of three years Canadian bituminous coal would establish itself in Winnipeg.

Some objection may be taken to this proposal because of the cost it will entail, and I recognize the fact that this matter should be carefully considered on that account. However, I should like to direct attention to the fact that up to the year 1924 the government received $1,051,000 in royalties from the mines I have mentioned. I do not know what these royalties would amount to since that year, but from rentals, royalties and the sale of certain coal lands, the government received from the companies in that district practically $1,500,000 up to the year 1924. I am sorry my figures are not up to date.

Then I have one other suggestion to make in regard to the coal industry. I think it will be generally admitted that in no other industry in Canada, taking it over a long period of years, has there been so much unemployment on the average as there has been in the coal industry. I am going to suggest to the government, in addition to the two suggestions I have made already, that they appoint a royal commission to investigate this coal industry. This was done in Great Britain some years ago, and I think it is largely as a result of that action that the present government in the old country have introduced some very drastic changes affecting the coal industry there. The appointment of this commission has been requested by the All Canadian Congress of Labour and also by the Mine Workers' Union of Canada. I have both resolutions here; the one passed by the All Canadian Congress of Labour reads as follows:

Whereas for a decade the Canadian coal mining industry has been subjected to such abnormal depression as to reduce the mining community to extreme poverty, due largely to the lack of coordination of supply and demand, with waste of labour power and natural resources; be it

Resolved that this congress call upon the government to appoint a royal commission to investigate conditions in the industry and to find a remedy.

I wish to quote briefly from an editorial which appeared in the Canadian Unionist, with regard to this proposal. The editorial states:

A careful inquiry by a royal commission might therefore point the way to such improvements in organization as would not only raise the mine worker from the coolie status but also add immeasurably to the wealth of the country.

The state of the coal mining industry has recently been given close study by the government of Great Britain, and reorganization of both production and distribution has been decided on, with restraint of wasteful competition, as the most practicable immediate reform. On a smaller scale, the industry in Canada is in much the same condition as in Great Britain, and it is believed that an official inquiry, by a royal commission, would be the most effective means af ascertaining the cause of the present distress among the miners and of evolving a remedy.

Now I wish to quote the resolution passed by the Mine Workers' Union of Canada, which is as follows:

We request that a royal commission be appointed immediately with a view to stabilizing the coal industry as a whole, by investigating the living conditions, sanitation, discrimination against outside purchasing of goods and necessities, "closed" or "company owned" towns, cost of living in the coal camps as compared with the cities, marketing and distribution of coal, etc., all with a view of alleviating the present distress and poverty among the miners and their families in Alberta and eastern British Columbia.

Before I close, Mr. Speaker, I want to assure you that there is real distress among many of our miners. Recently I received a letter which told of the conditions in one town, where the miners were so poor they were not able to pay for their milk. The milkman notified the mounted police that he was not going to deliver milk to a large number of these families any longer, as he said he must have money for his milk in order to pay for the feed he gave his dairy cows. One cannot blame the milkman, but if the miners are in such dire circumstances that they cannot afford to purchase milk for their children, I think this government might very well appoint a royal commission to examine thoroughly into the coal industry and make such recommendation as they may see fit for the improvement of the status of the people engaged in that industry. I think the responsibility in this case is primarily on the Dominion rather than on the provincial government, because as I see the situation in Alberta the trouble has been caused largely through the unfortunate results of our immigration policy. The majority of the men who consider themselves capable miners are immigrants, and I think a majority of these immigrants came to this country under the guise of agricultural labourers. I think there is no question at all but that the present situation has been brought about largely as a result of our immigration policy. Therefore I do not feel that I should make any apology whatever for asking the Dominion government to take the responsibility of dealing with this whole question of relief to the unemployed miners, rather than to ask the province to assume that responsibility.

Mr. L. W. JOHNSTONE (Cape Breton North-Victoria): Mr. Speaker, I desire to say a few words with regard to the amendment now before the house. This is a very important matter which seriously affects my constituency, which is largely made up of miners and labourers.

Several theories have been advanced in the hope of solving this unemployment problem. A few days ago, in looking over some literature, I came across a theory which I thought might be applicable to my constituency, and perhaps to some others throughout the country. It was called the theory of underconsumption, or the failure of consumption to keep up with the swelling current of production. The writer thought this was the best solution of this unemployment problem, and certainly it has to do with conditions which exist in my own constituency.

Some two months ago a conference was held between the operators and the miners over a question of wages, and after a great deal of deliberation they decided upon a contract. A referendum was taken a few days ago and the contract was upheld by quite a large majority, so that to-day the people of Nova Scotia have a contract rate which will continue for two years. But where is the employment to come from to provide those wages? We could produce more coal in Cape Breton if we had a market. Last summer our principal pit was working with but a single shift, and this year our mines have been working only one day and a half per week, simply because we did not have markets for the coal we could produce. I feel that I am perfectly justified in placing the blame for this state of affairs upon the fiscal policy of the Dominion government.

In 1929 we imported into Canada 4,019,917 tons of anthracite coal, and 13,707,543 tons of bituminous coal. When such a flood of coal is imported into a coal producing country like Canada, is it any wonder that the operators, and also the men dependent upon their industry for work, are discouraged? That importation represents $2,000,000 in wages, and it means less employment for our Canadian workmen. But the government is doing absolutely nothing to relieve this situation, or to prevent the enormous inflow of coal, and therefore I think I have a perfect right to put the blame upon the government fiscal policy.

Had the government fully implemented the report of the Duncan commission, considerable assistance would have been given to the maritime provinces. For many years we in the maritime provinces have been trying to have coke ovens erected throughout the country, and have tried to educate the Canadian people in the use of coke instead of hard coal. A bill to that effect was presented in this house, but nothing ever came of it. How can we expect to do anything when coke is allowed to enter this country free of duty, as well as American coal to be used in the manufacture of coke. Can we expect any help from a government which permits such conditions to exist?

I believe that if this government would offer assistance to the provinces it would be accepted. My own province has enacted the Women's Allowance Act, which allows $60 to $70 per month to any woman who is unable to work and support her children. If the Dominion government would take the lead in this matter, it would assist the provinces very materially, but after hearing the remarks made a few days ago by the right hon. the Prime Minister (Mr. Mackenzie King) to the effect that he would not vote five cents to a Tory government, I do not see where there is much chance of our receiving any assistance towards the relief of unemployment. However, Mr. Speaker, there is always a bright side to everything. The bright side to this question is the knowledge that within a very short time we will have a government that will see that justice is done to the provinces of the Dominion irrespective of their political faith.

Unemployment would be reduced through the use of our own raw materials, instead of their being sent out to the United States. Why not manufacture the finished article with our own material and use the labour of our own people? Some hon. member has said that the United States, which is a high protection country, has a great deal of unemployment. I can well understand why that is true, because a great number of those unemployed are Canadians who left their homes to look for work in other countries. The United States has taken a stand in this matter. The city of Detroit, where there are a great number of Canadians, has taken a definite stand on the subject. There are many people in that city from Cape Breton, and I have many letters telling of the inability to obtain work, in many cases the writers not having the fare to come back again. Many nurses in the hospitals of Detroit have been dismissed, although I have heard since that some have been reinstated on account of their efficiency. The United States cannot be blamed for taking this stand. They say: "We cannot give you foreigners any work, we must protect our own people. Surely you have a government in Canada and you can obtain work there. Go back to your government and ask them to give you work; do not come to us." The United States government are protecting their people, and our government should protect our people.

Some hon. member has mentioned the displacement of the workman by the machine. Scientific inventions are found to-day in practically every industrial centre. It would be hard to find to-day an old fashioned handpick miner in our mining districts. The only solution of this problem is more factories and industrial centres. We should build up our highways, and carry on other construction work, so that our men could obtain employment. Whatever solution is offered for this problem, the government of the day must take the lead, whether it be by the appointment of a commission or the creation of industries to provide work. The majoriy of our workingmen want work; they do not want charity. How can we do this? It could be done by the development of the great resources in which Canada abounds. Perhaps we will always have more or less unemployment, but if this condition can be relieved to any extent it is our duty to offer that relief. The hidden wealth of this great country of ours should be brought to light to provide work for our workingmen. They want work but they are unable to obtain it. It seems strange that this government cannot afford a certain amount of employment to our own people so that they need not go to foreign countries in search of employment. If that were done, then we could say in perfect truth that we are not able to say to-day—Canada for Canadians.

Mr. ROBERT K. SMITH (Cumberland): Mr. Speaker, I am in absolute accord with both the spirit and the letter of the amendment moved by the hon. member for North Winnipeg (Mr. Heaps). I believe the government should not only take immediate action to deal with the question of unemployment at present existing in certain sections of Canada, but strive to work out some formula to anticipate the grave question of unemployment which it and all succeeding governments will encounter in this country from time to time. As the hon. member for North Winnipeg very properly said, it is always our most

vital question. I had no doubt that in respect to this matter the government would trot out and hide behind the British North America Act, as it usually does, and which it did on this occasion; nevertheless, the problem of unemployment is still to be solved.

I am a firm believer in protecting the working classes in this country. This seems to me to be one of the greatest national questions we have to deal with. Like all matters of social legislation, it is important, far-reaching and expensive, and I believe the attempt to shoulder these heavy responsibilities on the provinces is unjust and grossly unfair. Take, for instance, the question of old age pensions. All heartily agree with the principle of old age pensions and are anxious to have the legislation enacting it implemented in the nine provinces of Canada. But how can that be fairly adjusted in a provincial way when the cost to one province is as high as 35 per cent of its total revenue, the cost to another only 10 per cent, and the cost to other provinces, I understand, in western Canada, as low as 2 per cent? The house may think what it likes, but it is quite apparent that this is the happy day of advanced social legislation for our working classes. That being admittedly the case, some of the smaller provinces are not financially capable of keeping pace with this very worthy legislation to assist our working people.

Old age pensions and unemployment are questions that must be dealt with sooner or later if we are to have a happy and contented country. In my opinion—and I am giving my own opinion—the only way in which they can be effectively dealt with is nationally. The government will say: Why, if you saddle us with aid to highways, aid to technical education, public health and matters pertaining to social legislation, you will exhaust our treasury. My answer to that is that under the British North America Act the federal authority is vested with all the elastic sources of revenue and can so regulate its revenues to meet any financial exigencies. The provinces cannot do that. In the final accounting a tax removed from a province and imposed by the federal authority works no injustice to any taxpayer. The burden is none the heavier, and I am of opinion that the only effective and successful way of giving the working classes in Canada a real chance to enjoy the privileges and advantages of modern social legislation is to place those matters of which I have spoken under federal control and authority.

It seems to me that altogether too much stress is laid upon the division of the burden of taxation as between the federal and provincial authorities in hewing so close to the line of technical interpretation of the British North America Act. If a citizen of a province who is also a citizen of the Dominion is relieved of a provincial tax and that burden is absorbed by the federal government, no injustice is worked. The citizen does not pay any more, but it certainly would have the effect of standardizing, harmonizing and equalizing civilization and advancement in all the provinces, which, after all, make up the Dominion.

We have under the present allotment of jurisdiction under the British North America Act between the federal and provincial authorities, two very unfortunate sets of circumstances: first, the financial inequalities of the provinces; secondly, the more financially fortunate of the provinces being able to provide legislative relief of a social character to their citizens, which relief is denied in other provinces. This creates a state of unfairness and inequality that is unhealthy and the very antithesis of what I understand to be a united and contented Canada. Could anything be more anomalous than to find in one province the citizens enjoying, say old age pensions, unemployment insurance, mother's allowance, minimum wage laws, eight-hour day and other rights, and in another province of the same Canada, the same confederacy, the same union, the citizens enjoying none of these benefits? That state of affairs can be tolerated only so long, just long enough to break both the spirit and the letter of confederation.

Questions of a national character must of necessity be dealt with by the federal authorities and I consider the question of unemployment fundamentally and primarily one of national import. In this connection my mind goes back to the treaty of peace signed at Versailles on June 28, 1919, where the following will be found as part of that great document. I am quoting part XIII of the treaty, section 1, which reads:

> Whereas the League of Nations has for its object the establishment of universal peace, and such a peace can be established only if it is based upon social justice;
>
> And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required; as. for example, by the regulation of the hours of work, including the establishment of a maximum working day and week, the regulation of the labour supply—

And, mark you, Mr. Speaker,

—the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provision for old age and injury, protection of the interests of workers when employed in countries other than their own, recognition of the principle of freedom of association, the organization of vocational and technical education and other measures;

Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries.

Following that, article 387 of the treaty sets up a permanent organization for the promotion of the objects set forth above, and in the annex to chapter IV of article 424, it specifies the place of the first meeting as Washington and it supplies for that meeting the agenda which includes among other things the application of the principle of the eight-hour day or the forty-eight hour week, the question of preventing or providing against unemployment. It goes on to mention many other matters of social legislation of importance in this connection. Section 2 of article 427, under "General Principles of the Treaty of Peace", reads as follows:

The high contracting parties, recognizing that the well-being, physical, moral and intellectual, of industrial wage earners is of supreme international importance, have framed, in order to further this great end, the permanent machinery provided for in section 1 and associated with that of the League of Nations.

They recognize that differences of climate, habits and customs of economic opportunity and industrial tradition, make strict uniformity in the conditions of labour difficult of immediate attainment. But, holding as they do, that labour should not be regarded merely as an article of commerce, they think that there are methods and principles for regulating labour conditions which all industrial communities should endeavour to apply, so far as their special circumstances will permit.

Among these methods and principles, the following seem to the high contracting parties to be of special and urgent importance.

Then it goes on to enunciate nine such principles, most of which were enumerated by the Prime Minister (Mr. Mackenzie King) in the speech that he delivered the other day. I ask you, Mr. Speaker, would any sane person contend for one minute that these important and worthy matters of social legislation are not national in character? Furthermore, the provinces as such were not signatories to the treaty of Versailles. The federal authority had that grave duty to perform, and having gone that far should continue responsibility and make some effort to conform to their sacred pronouncements and their national obligations.

[Mr. R. K. Smith.]

Back in 1922 I had the privilege of appearing before a Senate committee on unemployment, and I was greatly impressed with the evidence of one of the representatives of labour whose name I have for the moment forgotten. He said in part that while the war was in progress and recruits were being sought, solemn pledges were freely given that when the war was over and victory had been won, there would be a general reconstruction and reestablishment of people and conditions in this country. What class, he asked, needed reconstruction and reestablishment? Certainly not the wealthy. It was meant for one class and one classe alone, the one that needed it —the working class. Perhaps if there had been a measure at least of conscription of wealth as well as of men during the war, we would be in a better position to attain that ideal to-day.

I believe, in conclusion, Mr. Speaker, that the time has come when this vital problem so seriously affecting our working classes should be treated in a spirit of national consciousness and righteousness, from a broad and uniform viewpoint, and with the fact always staring us in the face that our commitments are clear and great, our obligations unfulfilled, and as a consequence our national honour at stake.

Mr. T. E. SIMPSON (West Algoma): In rising to support the amendment of my hon. friend from North Winnipeg (Mr. Heaps), I believe that the question of unemployment is one in which every hon. member of this house should be particularly interested. I believe that the people of this country are anxious that a solution of this problem should be found. They realize that the greatest asset of any nation is its citizenship, that the men who carry the dinner pail, the working men, are those who are largely responsible for producing the wealth of any country, and that a government that does not provide a policy that will enable these working men to be gainfully employed is not measuring up to its full responsibility.

I entirely agree with the hon. Minister of the Interior (Mr. Stewart) in his statement this afternoon that in a country such as Canada we are bound to have a certain amount of seasonal unemployment. I cannot agree with him, however, when he states that the men who are employed during the season of navigation are found among the ranks of the unemployed when navigation is closed, and that they are seeking assistance during the winter months. It is true that many of them are unemployed during the

winter months, but we find very few of them seeking assistance, because they figure that the wages which they receive during the season of navigation will be quite ample to take care of them during the winter months.

Mr. CANTLEY: They are fresh water sailors anyway.

Mr. SIMPSON: Yes. That we have an abnormal unemployment situation at the present time has been admitted, I think, by practically every hon. gentleman who has participated in this discussion, with the exception of the Minister of the Interior and the Prime Minister (Mr. Mackenzie King). We have had speaking in this debate representatives from the west and from as far east as Sydney, Cape Breton, and we have heard them describe the conditions of unemployment in their particular localities. Some of them cited cases of extreme hardship. Yet we find that the ministers who have spoken have offered no real solution for this unemployment problem.

What is the resolution before the house? It simply asks that immediate action be taken by the government to deal with the question of unemployment. A broad resolution, a resolution one would imagine that should be accepted unanimously by this house; but we find the Prime Minister devoting the greater portion of his speech to an endeavour to prove that we are enjoying great prosperity in the Dominion of Canada and that there is no abnormal unemployment situation. We have the Minister of Labour (Mr. Heenan), more familiar with the labour situation because of the position that he occupies as head of that department, admitting that we have more than the ordinary amount of unemployment, but offering no solution. Both of them, as well as the Minister of the Interior, are going to vote against this amendment if it comes to a vote, thus shelving the question for the time being, washing their hands of all responsibility and passing the responsibility over to the municipalities and the provinces.

There can be no doubt that the municipalities and the provinces have some responsibility in connection with unemployment, but in my judgment, Mr. Speaker, the federal government also has responsibility in connection with the unemployment situation as we find it to-day. If under a policy of immigration such as this government has maintained, immigrants are brought into this country and find their way into various municipalities without those municipalities asking for them, and where there is no work for them to do, will anyone contend that it is the responsibility of those municipalities either to find work for those immigrants or to care for them until such time as work can be found for them? That surely is a responsibility that should rest upon the government that admitted those immigrants to this country.

My hon. friend from Bow River (Mr. Garland) in the course of his excellent speech stated that in one of the western provinces at least sixty-one per cent of those who were receiving relief were immigrants. The Manitoba Free Press, in an editorial, states that of the number registering for assistance in the city of Vancouver, seventy per cent are immigrants. Surely the federal government have some responsibility to those who have come in as immigrants and are to-day a public charge.

I am opposed to the present system of immigration. I do not believe this country should spend, as it has been spending during the last several years, an average of over $3,000,000 annually for the purpose of bringing in immigrants, when at the same time our own citizens have been leaving the country by the tens of thousands, following our raw material over to the United States in order to secure employment in fabricating it into the finished product, much of which is shipped back into this country. What we need is a policy to provide more jobs for our own people. Once that is done there will be no difficulty about immigration. Once we have more jobs than we have Canadians to fill them, you will find desirable immigrants rapping at your door asking for admission. Then you will not need to spend any money on advertisements such as those my hon. friend from North Perth (Mr. Hay) read to the house this afternoon.

Might I submit, Mr. Speaker, that the federal government is responsible for unemployment from another aspect? The fiscal policy of this government, their policy of tinkering with the tariff, has been responsible for a certain amount of the unemployment that we are suffering from at the present time. Take, for example, agricultural implements and automobiles. The trade treaties that this government have negotiated and their downward revisions of the tariff have made it easier for the products of other countries to come in here and compete with the products of Canadian labour. Let me draw the attention of the house to the effect of the policy of the government in reducing the duty on agricultural implements, which they provided for in the budget of 1924. Immediately after the budget had been presented to the house a deputation composed of manufacturers of agricultural

implements—including our present ambassador in Washington, Mr. Massey—appeared before the government and pleaded for some relief, stating that the proposed reduction of duties would ruin their industry. They succeeded in getting relief, the government making provision for the free entry of all the steel that goes into the manufacture of agricultural implements, and for a drawback of duty on many other commodities entering into their manufacture. What was the result? An increase in the import of agricultural implements from the United States in the fiscal year of 1929 over 1925 of about $33,722,000; the imports for the fiscal year ending March 31, 1925 being $6,428,549 and for the fiscal year ending March 31, 1929, $40,150,020. Who got the benefit? The workmen in the United States, because the farmers in this country did not reap any benefit as a result of the reduction in the duty on agricultural implements. My hon. friend from London (Mr. White) in a speech he delivered in the session of 1928—the very year for which these figures are given, the fiscal year ending March 31, 1929—quoted the prices of agricultural implements from the price lists of the International Harvester Company, which showed conclusively that notwithstanding the reduction in the duty no benefit had accrued to our farmers by way of a reduction in the price of their implements. Then let us take the reduction of the duty on automobiles in 1926. When the reduction was announced in the budget our automobile manufacturers appeared before the government and stated that the reduction would ruin their industry. The government treated them just as they had treated the agricultural implement manufacturers—gave them a drawback of the duty on some of their raw materials, and the remainder of it admitted free of duty. This reduction of duty produced a similar effect, the increase in our imports for the fiscal year ending March 31, 1929, over the fiscal year ending March 31, 1927, amounting to $41,314,000; or a total increase in the imports of these two items alone of $75,036,000.

Figuring on the basis laid down by my hon. friend the Minister of Trade and Commerce (Mr. Malcolm) last session, when he stated that for every dollar of value of the manufactured article fifty cents represented labour, and taking an average wage of $1,500 a year, these additional purchases from the United States would have provided employment in this country for 25,000 workmen, and those workmen could comfortably support a city of 125,000 population. And it must be borne in mind, Mr. Speaker, that I have taken into account only the raw material that entered into the manufacture of these agricultural implements and automobiles. Their raw material is the finished product of other manufacturers in this country, for instance, the finished product of the primary steel manufacturer. I could cite the conditions obtaining in that industry at the present time, but I refrain from doing so.

I submit, sir, that having regard to the figures that I have given the policy of this government has a direct bearing on the unemployment situation as we find it to-day and therefore we might very reasonably expect the government to accept the amendment as proposed by my hon. friend from North Winnipeg; but they are passing the responsibility on to the provinces. A question of this nature should be treated on its merits, it should be above partisanship, but we find the Minister of Labour trying to blame the premier of Ontario for not proceeding more rapidly with highway construction, claiming that that would have provided against a certain amount of unemployment; but the Minister of Labour himself voted with the Prime Minister against the resolution that was moved in this house to grant federal assistance to the construction of highways, particularly the completion of the trans-Canada highway. I think everyone will admit that if that work had been proceeded with it would certainly have provided employment for a considerable number of men.

I must say I was amazed at the statement the Prime Minister made in this house the other day. He said that so far as the government was concerned with respect to this question of unemployment it would not give a five cent piece to any province where there was a Tory government. Was there ever an exhibition of more extreme partisanship than that indicated by the statement of the right hon. gentleman? Instead of treating this great humanitarian question on its merits he tells the people of five provinces of this Dominion that because in the exercise of their citizenship in a free country they decided to elect Conservative governments, they cannot expect from this government a five cent piece for the relief of unemployment. I suppose that is the reason the government turned down the proposals for assistance in the construction of highways and for technical education. The people of Canada have the right to expect something better than that from their Prime Minister. I submit that this government, by reason of its immigration and fiscal policies, is largely responsible for the unemployment problem as it exists to-day; for that reason they should accept this amendment and assume their full responsibility as a government to deal with this question.

Mr. F. P. QUINN (Halifax): I do not intend to take up much of the time of this house in speaking to the amendment of the hon. member for North Winnipeg (Mr. Heaps), but I feel it incumbent upon me to say something in regard to it, and to make a few humble suggestions to the house as to what I consider would remedy or alleviate the unemployment situation in Canada.

The hon. member for Cape Breton North-Victoria (Mr. Johnstone) referred to the steel and coal industry of Nova Scotia. May I point out to the house that four years ago, in 1926, the Duncan commission made its report to parliament, and in that report it recommended that the steel and coal industries should receive the favourable consideration of this government. After four years of waiting the government has failed to implement the recommendations contained in the Duncan report with regard to these two very important industries. I can tell the house that the steel workers of Canada, particularly in the province of Nova Scotia, are becoming restless, and as a proof of that statement I am going to read to you an article not from the Tory press but from the Ottawa Citizen of Friday, April 4, 1930. It is a Canadian Press despatch and is as follows:

A resolution urging that adequate tariff protection be afforded the steel industry in order to give employment to citizens of Canada, reduce privation and alleviate the unemployment situation which is singularly acute, has been forwarded to Right Hon. W. L. Mackenzie King, Premier of Canada, and members of his cabinet by the general works committee of the employees representation plan, representing over three thousand steel workers employed by the Dominion Iron and Steel Company.

I ask you, sir, if that is not worthy of the consideration of the Minister of Labour (Mr. Heenan), of the Prime Minister (Mr. Mackenzie King) and of this government? We have heard a resolution from the workers praying that the government do something to alleviate the unemployment situation in this country. On Friday last the member for East Simcoe (Mr. Thompson) pointed out that ships for the Canadian government to be used in Canadian trade and industry might well be built in Canada. During the course of the hon. gentleman's remarks he was interrupted by the Minister of Trade and Commerce (Mr. Malcolm), but in a gentlemanly fashion. The minister on that occasion pointed out that it would cost nearly 40 per cent more to build these ships in Canadian shipyards. May I say that the Minister of Trade and Commerce is my friend, and I admire him in many ways; on that occasion he was making a statement in favour of protection, and I am told the minister is a protectionist. He pointed out that it would cost 40 per cent more, and in my opinion he made an argument for a 40 per cent tariff on foreign built ships. If we pay a higher rate for ships built in Canada, where does the difference in cost arise? The materials are purchased in our own country, the ship from the keel up is built of materials produced in our own country, and the building of the ship gives employment to vast numbers of workmen in the steel and iron trades, the different metal industries, the furnishing industry, the electrical industry and all other industries which contribute their proportion towards the building of a ship. Do not forget that the most important thing of all is that you are giving employment to thousands of Canadian workmen, and instead of sending your money abroad you are keeping it at home. By the building of those ships in Canada we are buying our own materials from our own citizens, and are giving employment to our native workmen. I ask, sir, if that is not one of the best arguments with respect to the amendment now before the house. I may say that I pointed out this fact to the government during the debate in this house on June 10 of last year, and at that time I advocated that Canadian ships required for the Canadian government and its different departments should be built in Canadian shipyards.

A couple of months after my return to Halifax the International Association of Machinists on August 22, 1929, passed a resolution in the following words:

We wish to call your attention to the matter of steel shipbuilding in Canada. You will readily understand that the federal government is responsible for furnishing transportation facilities for our commerce, both on land and water. It has been the policy of all Dominion governments to subsidize our railways, both by grants of lands and moneys. They have been very successful in inducing companies to erect plants to construct locomotives and passenger cars of the largest types built anywhere, and at the present time we have two of the largest railway systems in the world, which are able to get all their rolling stock built in Canada.

Now we wish to get your assistance in inducing the Dominion government to have all ships, whether passenger or freight, that are used by the railway systems and government departments, built in Canada. The Canadian Pacific Railway system has had a number of ships built in Great Britain at a cost of over $50,000,000. The Canadian National Steamships, a government concern, had five ships built at a cost of $8,000,000, and have given contracts for three more ships to cost $5,000,000, all of which are to be built in Great Britain.

This means that over $63,000,000 of Canadian moneys have been sent across to Great Britain to build ships, when, if these ships had been

built in Canada, it would mean that the amount of money would have been put into the pockets of shipyard workers of Canada.

It is easy to see the reason for this policy of having ships built in Great Britain. The standard of living is higher in Canada, because the Canadian worker demands and receives higher wages. A comparison of Canadian and United States methods in having ships built is suggested. The United States government, in placing contracts for the carrying of United States mail stipulates that they must be carried on ships built in the United States, and they have cooperated with the steamship companies in placing orders for ships in the United States shipyards. Some of the steamship companies have paid over twice as much for ships to be built in United States shipyards rather than send their orders to Great Britain or Germany.

If the Americans can do that, why cannot the Canadian government and Canadian companies do that which tends to keep the money in circulation in Canada? Therefore be it resolved that we adopt the following resolution:

Whereas, during the Great War the building of steel ships was found to be possible in Canada. and taking into consideration the immense resources of this country, the development of which is reaching enormous proportions;

Be it further resolved, that the trades and labour organizations use every effort to bring pressure to bear upon the government to take the necessary steps to encourage the steel shipbuilding industry in Canada.

That is a union, sir, in my own city of Halifax. They are not wrong in their views and they are not sectional in their outlook either. I should like to point out that similar resolutions have been adopted by unions in Quebec and Ontario. I have another resolution here, which is dated at Halifax, March 15, of the present year:

Felix P. Quinn, M.P.,
Ottawa, Ont.
Dear Sir:

I have been instructed by Halifax Lodge No. 765, International Association of Machinists, to forward to you the following resolution.

Whereas the increased business activity of the maritime provinces especially between the mainland and Prince Edward Island calls for greater transportation facilities on the Canadian National railway and demands the building of a car ferry to be equipped with facilities for the transportation of automobiles which the present car ferry does not possess.

And whereas there are shipbuilding firms with yards equipped for building ships such as the car ferry required in Nova Scotia and New Brunswick, it is for this reason that Halifax Lodge No. 765, International Association of Machinists wish to place themselves on record as protesting against the placing of the contract to build the car ferry to any firm of shipbuilders outside the maritime provinces.

Respectfully yours,
E. J. Rudge,
Recording Secretary Lodge No. 765,
International Association of
Machinists.

In the discussion of a few days ago the question of the Prince Edward car ferry was dealt with by the Minister of Labour, who told us that that contract had been awarded to a firm in Quebec at a very much higher figure than the government would have had to pay in Great Britain or some other European country. I can quite appreciate that statement; I know how true it is and I must congratulate the minister, if he had anything to do with having that contract placed in a Canadian shipyard. I regret very much, however, that since the steamer was to ply between two of the maritime ports, the contract was not placed with the Halifax shipyards, because I understand that the difference in the contract price was only some $5,000 or $6,000. Having regard to that fact, I hope the contract price will be adhered to. I hope we will not have a situation similar to that which arose a few days ago, when we were dealing with the estimates for the province of Quebec having to do with harbours and rivers. There was an item of some $27,000 for some firm in Quebec, and when the Minister of Public Works (Mr. Elliott) was asked for an explanation of the item he told the committee it was because that amount of loss had been sustained by the firm under a contract with the government. If after the ship is completed this shipbuilding company comes to the house with a request for a grant from the government to cover a loss sustained under that contract, if I am here I will bring the matter to the attention of every hon. member. That would be unfair competition; if firms are allowed to tender and contract with this government at an unreasonably low figure, in the hope of coming back to parliament and asking for a subsequent grant to make up the loss, I contend that it is a very poor principle and a very unbusinesslike way for the government to deal with such matters.

With regard to the resolution passed by the Halifax branch of the machinists' union, I may point out that under date of February 22 a memorandum on the need of tariff protection for the shipbuilding industry of Canada, addressed to the federal government and members of parliament by Gaspard Langlois, president of the Shipworkers' Union of Lauzon, Quebec, along similar lines, appeared in the Montreal Gazette. Towards the end of the article I find the following:

The shipbuilding industry of Canada is going through a very serious crisis, says Mr. Langlois. Former prosperous yards have hardly sufficient work to justify their maintenance. And while Canadian shipyards are nearly silent, Canadian companies are constantly awarding shipbuilding contracts to other countries.

I point this out to the government for their consideration, and ask them whether the unemployment situation would not have been

greatly alleviated if these contracts for Canadian ships had been placed with Canadian shipyards. The article continues:

> Nearly $100,000,000, it is said, has been invested in the effort to reestablish shipbuilding in Canada: most of it has been sunk, apparently. Of course, the effort to revive Canadian shipbuilding involved considerable investment in subsidiary industries, which, also is all at sea.
>
> The hope of the Lauzon workers that the "Canadian shipbuilder will be given protection equal to that enjoyed by his neighbour the American shipbuilder" is not, unfortunately, likely to be realized while the present government is in power, anyway.

I must admit that I share the views of that gentleman.

I listened to the Minister of the Interior (Mr. Stewart) telling the house that in his opinion the tariff would not remedy the situation, and he made the statement that high tariff countries were not without their unemployment problems. Let me point out to him the difference between England and France. England is a low tariff country, and has nearly 2,000,000 people unemployed at the present time. Contrast that situation with France which is a high tariff country, and which has only 1,500 unemployed. France is a country with five times the population of Canada but with only 1,500 unemployed, of which about 1,200 are in the city of Paris. I give those figures on the best authority; I have taken them from the latest issue of the Commercial Intelligence Journal, which is issued by the Department of Trade and Commerce under the administration of the Hon. James Malsolm. On page 512 is an article by Hercule Barré, the Canadian trade commissioner, dealing with the commercial and financial situation in France. He says:

> According to official figures on February 18, the number of unemployed in France totalled 1,521, of which 1,134 were in the Paris district.

If a protectionist tariff is so beneficial for France, then this government should consider whether a similar protectionist tariff would not be favourable for this country and tend toward the relief of unemployment in the Dominion of Canada.

The hon. member for Nelson (Mr. Bird) the other day pointed out that the trend in the west was toward protection. I believe that the trend in the whole of Canada is toward protection. The hon. member for New Westminster (Mr. McQuarrie) showed me a report which stated that the Liberal candidate for that constituency had declared that he was for protection, and that the Liberal candidate for the constituency of Vancouver-Burrard also had declared himself a protectionist and had denounced the new tariff amendments of the United States. The workingmen of Canada want protection for the industries which give them employment, but I am afraid that they will look in vain for relief from a government which has failed after four years to implement the recommendations of the Duncan report with regard to coal and steel. These workingmen will have to wait because of their failure to provide adequate protection to our industries, particularly to shipbuilding. A remedy can hardly be expected from a government which lacks solidarity and which is so diversified with regard to its fiscal policy. That remedy will be lacking so long as we have a prime minister who holds such narrow views as were displayed when he told this house and this country that he would not allow his government to give a single five cent piece to any province which had a Tory premier.

Mr. E. A. LAPIERRE (Nipissing): Mr. Speaker, I have decided at this late moment to take part in this discussion because of some of the speeches to which I have listened to-night. Perhaps I am in a happier situation than the majority of the members of this House of Commons, for I represent a constituency which has enjoyed more prosperity during the last two years than at any period since confederation.

The situation which has been depicted with so much gloom by our Conservative friends is but a temporary one. Considerable improvement had taken place during the season of 1929 when compared with the conditions which existed in 1921, when this government took over the reins of office. During the summer season of 1929 this country enjoyed the greatest era of prosperity that it had known since confederation. Never in the history of this nation have we enjoyed greater prosperity, greater development and greater contentment, and nowhere else in the world could a labouring class be found who enjoyed a higher standing of living than did the people of Canada during the year 1929. A reaction occurred late in the fall arising from conditions over which no government could have control. Shortly after that reaction occurred we were told by the leading financiers, bankers and industrialists, both in the public press and elsewhere, that Canada was enjoying the greatest prosperity of any civilized country in the world. The causes of that reaction are known to every hon. member on the other side of the house. The main cause was the inability to move the wheat crop of 1929, an abnormal situation for which no government could make provision. That situation was

intensified by the stock market crash which occurred in the United States, another cause which could not be foreseen or prevented. This condition arose during our period of seasonal unemployment and it will disappear within the course of the next few months. I am sure that our Conservative friends dread to see the result of the Liberal policy as it will apply to conditions in Canada after this temporary period of depression.

We have heard a great deal about the situation in the United States as well as in Canada, but I think the hon. member for Bow River (Mr. Garland) has depicted a situation which should give more concern to hon. members than the temporary condition now existing in this country. The unemployment in Canada is not to be compared with the unemployment which prevails in every other part of the world. I have before me an article which appeared in the Literary Digest of March 29, in which conditions in other parts of the world are clearly set forth. This article shows quite definitely that the conditions in other countries are much worse than those in Canada. The article, which is entitled A World of the Workless, reads as follows:

In every big industrial country of the world the tragic tide of unemployment is said to be rising rapidly.

A few years ago, we are told, it was estimated that the total of unemployed was 20,000,000. The figure now is believed to be nearly 30,000,000. So declares the London Daily Herald, a labour organ and the official newspaper of the Labour party.

Recent reports from America and Germany, it adds, coupled with the serious situation in Britain, have emphasized the fact that the crisis extends over the globe.

Japan is no exception, for business depression is widespread there, factories are shutting down, and this newspaper continues:

"A short time ago the late government estimated the total workless at 300,000. To-day the figure exceeds 800,000, and it is forecast that the million mark will quickly be passed.

Labour organizations in Japan are drafting remedial measures, and the government is preparing a scheme of unemployment insurance.

As in Japan, so elsewhere. The latest estimates of the unemployed in the United States vary, but some put the total at the enormous figure of 6,000,000.

Mr. William Green, president of the American Federation of Labour, says the 'danger point' has been reached. He declares that 22 per cent of organized labour is idle, and that 43 per cent of the building workers are out of work."

If we turn to Europe, the Daily Herald goes on to say, we find a similar condition. At the end of December, it informs us, Germany had 4,583,000 idle organized workers.

During a week in February, it is pointed out, no fewer than 30,000 were added to the Germans receiving unemployment benefit. We read then:

[Mr. Lapierre.]

"Italy, whose industrial activity is comparatively small, has nearly half a million workers recorded as unemployed.

France is the only known exception among countries which have large-scale industry, though here the peculiar circumstances make comparison difficult."

I wish to call the attention of some of my hon friends to the peculiar situation existing in France at the present time:

"No recent figures are available for Russia. the latest were for October, 1928, when nearly two millions of the 11,000,000 organized workers were idle.

Claims have been made that industry in Russia will absorb 5,000,000 new workers in the next two years, but that is not fact but prophecy."

Economists have suggested that the unemployment was temporary, and that when the world has settled down to postwar conditions, production and trade would right themselves. That view is now discredited, and the outlook is regarded with apprehension.

That depicts the worldwide situation at the present moment with regard to labour, leaving Canada in a far better industrial and financial position than any other country in the civilized world.

We have heard a great deal about conditions in the United States. Some of my hon. friends on the other side, using the old familiar slogan, were still harping on Canadians leaving to go to the United States. I am now quoting from the same periodical, the Literary Digest of March 22 of this year, as follows:

Washington reports two elderly women, a policeman and half a dozen demonstrators hurt, and thirteen persons arrested when police used tear gas and blackjacks to suppress a riot which followed a Communist demonstration in front of the White House.

Cleveland reports more than 100 injured by flying police-clubs when "a cursing, jeering crowd of 10,000" battled several hundred police "after a Communist unemployment demonstration had been conducted without violence of any kind."

Detroit reports fourteen persons, including one policeman, sent to hospitals, and thirty-one arrested when mounted police prevented an unemployment rally.

Pittsburgh reports five men sent to hospitals, severely beaten, and twelve arrested when a Communist parade broke up in a riot.

Milwaukee reports forty-two men and youths arrested when police intervened in a demonstration by 1,500 unemployed men, and then raided Communist headquarters.

Seattle reports one man injured, and twelve arrested when police dispersed a crowd of 500, led by Communists.

Buffalo reports four Communist speakers arrested when they refused to leave Lafayette square, where a Red demonstration had been planned.

New Haven reports police thwarted three attempts by a group of Communists to storm the city hall to present an employment petition to the mayor.

Chicago, Philadelphia, and San Francisco report Communist parades held without disorder.

That is the situation into which a high protective tariff has brought the United States, and had the same policy been put into force in Canada a similar condition would have been created here. But what I have been quoting so far has been from United States periodicals. I will now quote from the Standard of March 22 in which are given the results of an interview with R. W. Gould, Secretary of the Canadian Manufacurers' Association. The article, which is headed "Conditions are bad in States, says R. W. Gould," reads:

Conditions in the United States after the bad break last fall improved, but another set back has occurred from which a slow recovery is now being made, reported R. W. Gould, secretary of the Canadian Manufacturers' Association, in an interview with The Standard this morning upon his return from New York and Boston, Mass.

Undoubtedly, he said, a great deal of unemployment exists and there have been frequent demonstrations by the jobless.

Mr. Gould surveyed the general industrial position and found a far from happy situation in a number of cases. For instance, at Boston, he heard that the cotton trade is in a pretty bad way with many mills closing down with the intention of reopening in the south.

The boot and shoe situation is also very unsatisfactory, he said. The trade is hard hit by competition from Czechoslovakia, he added. Strangely enough this competition is caused largely by Americans who obtained their experience in Boston and have gone to Slovakia and opened plants there. Labour is cheap and they are pressing hard the American home producers.

The outlook is bad also in the silk and hosiery industries, declared Mr. Gould. This is due largely, he commented, to the disorganized condition of the industries themselves.

The fishing industry, he found, has been fairly steady with both catches and markets good. Some 14 new super trawlers are being built he ascertained and will be launched in the next few months. The Americans, he added, have an eye on the Canadian market.

The tariff situation, he stated, is very disturbing.

In view of the situation which prevails in Washington at present, are we Liberals not justified in claiming for the Liberal party a policy that has at least maintained a certain amount of prosperity and avoided the grave condition now existing in the United States? Has not the policy which the Liberal party enunciated at its convention in 1919 been carried out to the extent of giving us the most prosperous era this country has ever experienced?

In view of those facts, difficult as our situation is at the present time, I feel that the government is fully able to cope with it, and the people of Canada who realize this condition of affairs will see to it, when the time comes, that the government are returned to power with a larger majority than they at present have in the house.

Mr. S. C. ROBINSON (West Essex): Mr. Speaker, at this late stage of the debate I will not detain the house very long, but the unemployment situation in the border cities is, I believe, more acute in proportion to population than in any other part of Canada; and we also have an international labour situation. One reason why we have so many unemployed in the winter season I trace back to 1926 when the government changed the duties on automobiles. By its action it forced the automobile industry to adopt United States methods of mass production. Let me illustrate what I mean. If a company planned to manufacture 50,000 cars they would order all their materials; when ready to start they would employ three shifts, each working eight hours a day, push forward the work as quickly as possible, then lay off two shifts and keep the remaining shift going for three days a week. That has been the situation in the border cities for the last two years; indeed some of the industries practically closed up. This means throwing out of employment 5,000 to 6,000 men. We have another situation in regard to which I cannot do better than quote a paragraph from the Border Cities Star of January 30 of this year. It says:

Our greatest difficulty, of course, lies in the fact that the border cities seem to be a mecca for a large part of all the unemployed men in Canada. This is due, probably, to two or three factors. We are widely known as the centre of the Canadian automotive industry, and the automotive industry, it is just as well known, pays attractive wages. Secondly, our community has had an unusually rapid progress and the news of our expansion has travelled everywhere. Thirdly, we are next door to the United States, and large numbers of people come here from Europe and from all over Canada with the idea of eventually getting across the line. While they are here, of course, they clog the local labour market.

Our charitable institutions and our towns and cities are taxed to the utmost in taking care of the unemployed during the winter. We have down there the Good Fellows, who raise a very large sum every year to take care of the poor. The city of Windsor also spends a large amount each year for the same purpose. In January last the city was taking care of 400 families, providing them with groceries, milk and fuel.

I claim that under such conditions they may reasonably expect some help from the federal government because of the fact that these conditions are caused by the bringing into this country of immigrants by the federal government, and by the change of tariff in the automobile industry which the government made in 1926.

I would urge upon the Minister of Labour (Mr. Heenan) and the Acting Minister of Immigration (Mr. Stewart) that they be very careful how they handle the situation on the border. For instance, an order in council was passed on the 7th day of August last, one paragraph of which provides that the Minister of Immigration and Colonization may admit any contract labourer if satisfied that his labour or services are required in Canada. The principle seems to be entirely right, but in practice it is not always followed. For instance, if the combination lock of a safe or vault cannot be opened and an expert has to be called in from Detroit, when he comes over with his tools he is turned back by the immigration officer. Only the other day a man came over from Detroit to do some work for the Ford Motor Company. He had his tools with him, and he was refused admittance into this country. The result was that it was broadcast from a Detroit radio station that night that one American who was going over to Canada to do a day's work had been turned back at the border, and it was pointed out that 8,000 Canadians crossed the border daily to work in Detroit. Many institutions in Detroit are only looking for an opportunity to dismiss Canadians and employ Americans. Let me quote from a letter that I received in this connection from Windsor:

> Jerry Buckley (Station WMBC) announced over the radio that an American citizen who had obtained a job with the Ford Motor Company of Canada, on bringing his tools over to go to work, was not allowed to proceed but was turned back to the United States. One of the immigration officers at this port on being asked the question, how they handle these matters, if an American citizen came to Windsor to seek work, stated he would be turned back immediately. In view of the fact that 8,000 Canadians cross the border every day and work in Detroit, and only a few Americans work in this country, think it very inadvisable to follow this policy of turning American citizens back. Think it will do us more harm than good.

That letter was dated the 15th of March. He writes again on the 20th of March, on the letterhead of the Ford Motor Company:

> Will say that I am vitally interested in this as I work in Detroit and the matter was called to my attention where I worked, that I had a lot of nerve coming over there and working when their citizens are not allowed to secure work in Windsor. I do not know how you feel about the matter, but if you feel as I do, hope you will take this matter up with the Minister of Immigration.

Then he goes on to say:

> With 8,000 Canadians crossing the border every day and working in Detroit, I think it rather foolish to keep any American citizens from securing work in Windsor. If they can get work here they are smarter than I am, as I have never been able to get work here, and I take my hat off to any man who can get work here.
>
> (Signed) M. C. McCullough.

I know that our immigration laws have to be carried out, but to my mind this regulation with regard to contract labour should apply only to numbers of men who are brought over on contract, because occasions often arise when an expert is required in connection with the installation of machinery or something of that kind, and there can be no objection to allowing such a man to enter for a day's work or so.

Now I want to show the other side of the case. It is the case of a man who worked with the Hudson-Essex motor car company for four and a half years in Detroit. He was an inspector, and he was discharged because he lived in Windsor and could not produce American citizenship papers. He receives a notice to report at the employment office, and I have here a copy of his discharge certificate, as reproduced in the Border Cities Star of April 1, 1930. It shows that his ability and deportment were good, and that his last operation was working as an inspector. I might point out that 16,000 Hudson-Essex motor cars were shipped into Canada during the past year, valued at least at $15,000,000 I think it a very short-sighted policy on the part of any company doing that much business in Canada to discharge a few Canadians who might be working in their plant at Detroit. As far as doing any work on their cars on this side of the line is concerned, they do not even put Canadian air in the tires. I remember that in 1928 I drew to the attention of the then Minister of Finance a statement that he made in the house in 1926, to the effect that the change made in the tariff at that time would force these motor companies to manufacture in Canada. The opposite has been the case so far as the Hudson motor company is concerned. I should like to put on Hansard this article from the Border Cities Star of April 1, 1930:

> Hudson-Essex Man is Fired
> Because He Lives In Canada, A. G. Guest Is Informed
> Off Roll For Good
> Must Move to Detroit And Become U. S. Citizen To Get Consideration
>
> Refuting statements of the Hudson Motor Car Company of Detroit that it was showing

no discrimination in laying off Canadian workers, E. Grant Guest, who lives on highway No. 3 near Windsor, to-day stated that he had been told his services were no longer wanted because he was a Canadian.

First Notice March 15

Mr. Guest after working almost continunously for the Hudson company since August 4, 1925, was summarily ordered to report to the company employment office on March 15. "Report to the employment office with citizenship papers," the notice stated.

As Mr. Guest explained to the employment office officials, he had no citizenship papers and had not moved to Detroit as he had no previous notice.

"I explained the situation to Mr. Tholl, one of the men in the employment office, and after I had done so he concluded the interview by saying, 'That will be all,'" Mr. Guest declared. "The next day with no warning I received a notice that I was being laid off."

The notice which Mr. Guest brought to The Star office stated the reason for termination of his employment was "Readjustment of working force to provide work for Detroiters."

Superiors Regretful

Mr. Guest said the foreman and other immediate superiors were indignant at the treatment he received but knowing the futility of any attempt to keep him on the payroll did not dare to make an open protest to the motor company executives.

"There are five other men I know of in the same predicament," Mr. Guest explained. "It means that after working five years to learn the Hudson method of doing things I am thrown out of a job with less chance of getting another position than if I had not been a steady worker and had floated from one plant to another."

Mr. Guest said he had not worked for any other company since going to work for the Hudson organization almost five years ago. He said that he had worked for five months in the old Paige factory in Detroit before working for the Hudson company.

"On March 15 I went to see Mr. Holmwood in charge of employment, but he told me that I would never be reemployed as long as I lived in Canada," Mr. Guest said. "I was told that not only would I have to live in Detroit but would have to have first citizenship papers before I could be reemployed. I asked if it would be possible that in event of improved business conditions within three or four years if I could be re-hired, and Mr. Holmwood said that if it came to the place where the company was forced to go out and hire men in the streets, my reemployment might be considered, but as the order stood at present it was impossible to employ me."

Passes Up Detroit

Mr. Guest, who is 31 years old and married, said that he had made efforts to obtain employment in Border Cities plants without success, but had not endeavored to find another job in Detroit as he felt it would be futile in view of the orders there not to hire any Canadians, and also because of the few men being hired. He worked in the Jefferson plant of the Hudson Company as a paint inspector in the body trimming department when let out, but when the Hudson company was working three production lines instead of two as at present he was a gang work leader. On his card stating he had been dismissed he was credited with "good" ability and deportment, the highest ranking possible.

Mr. Guest said he did not know what he could do for employment. Counting on his work with the Hudson company as permanent he had not made any previous plans to work elsewhere.

Another serious feature of the unemployment in the border cities is that hundreds and hundreds of men have lost their homes, some that were half paid for; in fact in many cases it is the second home that they have lost. Many industries to-day will not hire men over 40 to 45 years of age, their excuse being that the compensation act forces them to do this. This means that in a few years we shall have a serious problem on our hands in connection with old age pensions or unemployment insurance. I would strongly urge the government to take steps to help out the situation, at least next year, if they cannot do so this year. The federal authorities collect a handsome revenue in Windsor, the excise and customs amounting to over $30,000,000 for the past twelve months, and the post office receipts $386,000. In view of this, and of the fact that unemployment in the border cities is not altogether due to local causes over which the municipalities might have control, I think the government should deal with the situation as a national problem.

Mr. L. J. LADNER (Vancouver South): Mr. Speaker, I rise to make a few observations on this matter because of its vast importance to the lives and happiness of so many people throughout Canada, a considerable number of whom reside in my constituency. We have all had occasion, unfortunately, to witness the difficulties of many of our working people in their efforts to find employment. It is a pitiable condition of life, and it appeals to me in particular because of its human side. I have had men come into my office in Vancouver whom I have known for years to be in regular employment, honest, respectable men, seeking an honest day's work. These men are the victims of the economic depression through which the country is passing, and it seems to me that there does devolve on the government a responsibility which they cannot escape.

The question before parliament is, what has the government done to meet that responsibility? Has the government done anything? We have been presented with an impressive array of statistical data, we have heard ingenious arguments, and the government and its supporters have even tried to convince us that there is no unemployment in the country.

But notwithstanding the data and arguments, we all realize that there is an appalling amount of unemployment throughout the Dominion. It may be said that unemployment is a world-wide condition, and to some extent this is true. We know that the economic pendulum swings alternately from prosperity to depression and back again to prosperity, and in my opinion it is incumbent on governments to provide for the periods of depression so that those least able to help themselves may be tided over until the pendulum does swing back to prosperity.

We have heard several solutions offered to deal with this problem of unemployment. I propose to deal only with one of those solutions—unemployment insurance. Unemployment insurance would help the victim of world conditions, with the creation of which he has had nothing to do but for which he suffers acutely, to provide the necessaries of life for his wife and family, to feed and clothe them, and thus mitigate their sufferings until there is another period of prosperity in which he will be able to participate. I was very much interested the other evening—and I take this occasion to remark upon the matter because I had something to do with it—I was very much interested, nay, I was astonished, to hear the Prime Minister (Mr. Mackenzie King) suggest a denial of his assertion on a former occasion, that the old age pension scheme involved a vicious principle. It happened that I asked the question when he was speaking on another subject, but I wish to reassert what is contained in Hansard; it shows that the Prime Minister did say that the granting of money for old age pensions was a vicious principle. We need have no doubt upon that question, because Hansard records it in clear, cold print.

I think the most amazing statement in the annals of statesmanship and political history in this country was made the other day when the Prime Minister gave utterance to a statement of political depravity which is surpassed only by his lack of policy on the question of unemployment. He told us that he was not disposed to make contributions to Tory governments in Canada. It seems to me that the function of a party in power is to govern the country and to formulate public policies; it is not the duty of a government to assume that extreme degree of partisanship which causes its leader, the Prime Minister, to tell the Canadian public that if any section of the people fail to carry out the partisan political policies which he has dictated, it will be incumbent upon him, as a Mussolini or a man of similar dictatorial powers, to punish them because they happen to desire a political party of different persuasion. It should not be the policy of the federal government to punish provinces by refusing to cooperate with them financially on matters which would merit the favourable consideration of an ordinary prime minister and government.

With respect to the question before the house, I may tell hon. members that I have taken the opportunity to read the budget debates, and particularly the speeches of the Prime Minister from 1922 up to the present time, in connection with the various budgets presented. So far as fiscal policies are concerned one can find in those speeches the most inconsistent statements it is possible to conceive. The net result of the observations by the Prime Minister in years gone by is that his fiscal policy exists for the producers and the consumers, but as far as I have been able to ascertain, if you eliminated from Canada the producers and the consumers you would not have many people left. In his speech on the budget in 1928 the Prime Minister placed on record an extended list of reductions in the tariff. This list, which covers a great number of pages in Hansard, was placed by the Prime Minister at the end of his speech as a sort of addendum. Now, I find it most significant that at the present time we have a powerful factor in this cabinet in the person of the Minister of Finance (Mr. Dunning), who is a declared low tariff man. We have the Minister of the Interior (Mr. Stewart) who formerly sounded "the death knell of protection;" but it is to be noted that that bell has not been sounded during more recent sessions. There is the Minister of Agriculture (Mr. Motherwell) who is a declared free trader. There is our friend the Minister of Railways and Canals (Mr. Crerar); out of consideration for the Prime Minister I will not refer to the speeches of the Minister of Railways while he was leader of the Progressive party. The hon. gentlemen to whom I have referred constitute a very powerful circle in the government forces. They are declared free traders or low tariff men, and in my opinion part of the difficulty in regard to unemployment has been brought about by the government being wedded to a theory rather than concerned about the exigencies of business conditions. This condition exists to such an extent that in our trade with the United States we are buying from them $900,000,000 worth of goods per year, mostly manufactured products. We are selling them raw products to the extent of $500,000,000 per year. Those hon. members who analyze the trade statistics of Canada will find a very interest-

ing situation. I refer to this matter at the present time because I anticipated that the Prime Minister and his colleagues will proceed to Great Britain to attend the economic conference, unless the leader of the opposition (Mr. Bennett) attends in his place, which of course depends upon the Prime Minister's decision as to an election. In view of the coming conference it may be interesting to know that since confederation we have sold to Great Britain, in excess of what we have purchased, the enormous figure of $5,800,000,000 worth of goods, but we have purchased from the United States in excess of our sales to them, the enormous amount of $5,400,000,000 worth of goods. The attitude of the Prime Minister and his government is that they shall reduce their tariff rates, that they shall allow more manufactured goods from the United States to enter this country and to displace industries, thereby depriving Canadian working people of occupations in which they might otherwise be engaged. The outcome of the next election is something to which hon. gentlemen on this side of the house are looking forward with considerable interest. It is said that the Prime Minister is framing a protectionist budget. I do not know how my hon. friend the Minister of the Interior would greet such a situation, neither do I know how it would affect other members of the cabinet. Conditions in this country in respect to industry and unemployment are such that a protectionist budget is the one thing that would help Canada. I do not believe, however, that it will be the Prime Minister and his government that will bring in such a policy; I believe it will be the hon. gentleman who is at present leader of the opposition, as the head of the government in Canada.

Mr. STEWART (Edmonton): We hear that repeatedly.

Mr. LADNER: I notice the Minister of the Interior does not repeat his slogan respecting the death knell of protection. I would like to draw the attention of the government to some facts which they should bear in mind in the framing of their fiscal policy, which has a direct relationship to the present question of unemployment. I will outline the situation as I see it. In the province of Ontario there is one-third of the population of Canada; in the province of Quebec there is slightly over one-quarter; in the maritime provinces there is one-ninth of the population, and the remainder are in western Canada. If you examine the occupations in which these people are engaged you will find that in the year 1927 Canada produced about $3,500,000,000 worth of manufactured products, and of that amount about $2,000,000,000 worth were produced in Ontario and $1,000,000,000 in the province of Quebec. There were $3,000,000,000 worth produced in these two provinces out of a total of $3,500,000,000. The three western provinces produced about $246,000,000 worth of manufactured goods, and British Columbia about $243,000,000 worth. When you consider the agricultural products you will find that the total production in Canada for the last year for which I have official figures was $1,800,000,000 worth, representing about one-half of the value of the manufactured goods produced. Those figures are interesting, but they are not generally known. The provinces of Ontario and Quebec in the year 1928 produced $811,000,000 worth of agricultural products, and the three western provinces produced $847,000,000 worth. So it will be seen that our production, industrial and agricultural, is by far the most important. The next largest class is that of forest products, which aggregate about $464,000,000. The exportable surplus of wheat and flour in Canada is valued at about $500,000,000 yearly. We all know that our friends from the prairies, for whom I have the greatest good will and consideration, gave expression to their economic problems through political activity which resulted in the formation of the Progressive party, which sent sixty-five members to Ottawa. A large number of those members, including the former Minister of Immigration, Senator Forke, were enticed by the Prime Minister to join his party. The fact is that $500,000,000 worth of grain and flour, which is exported from this country and sold on the markets of the world, to-day determines the fiscal policy of this country so far as tariffs are concerned. That is exactly what is happening, and if you will look at the trade figures you will find that our total production for the last fiscal year for which I have the figures was valued at $6,100,000,000. So the situation, in brief, is this: The $500,000,000 worth of wheat and flour represent 8 per cent of the total production of Canada, yet that 8 per cent is the guiding force in the councils of the Liberal party to-day. In my judgment it is an unsound situation, both from an economic and national point of view. I do not suggest that we should place a protective tariff upon the articles which enter into the production of flour and grain, but I do suggest that, generally speaking, we should place the tariff upon a productive basis which will protect the industrial and agricultural life of this country and enable us to conserve our home market, providing employment for the people of this country and facilitating our exports to foreign

markets. It seems to me that, from a purely economic point of view, the day has come when the people of this country will realize the relationship of these different activities and what has to be done to maintain our industrial, agricultural and economic life, and also to maintain a national consciousness. When we have a policy which will measure up to these requirements, with a statesmanlike conception of what is best for this country, we shall have taken a step forward which will greatly assist in alleviating the conditions which have brought about the economic depression of to-day, and which has occasioned the unemployment prevalent throughout the country, about which there has been so much discussion in this parliament.

I will conclude, Mr. Speaker, with the suggestion that if the government continues with this death knell policy, which my hon. friend the Minister of the Interior was so fond of advocating; if the Prime Minister takes another step in political depravity such as he took a few days ago; if he continues to add to his inner circle of free traders and low tariff men; if he ignores the economic needs of this country, the people of Canada will deliver a reprimand which will result in the formation of a government which appreciates our economic conditions and which has a true conception of national policy and of statesmanship. Then once again we shall have that prosperity to which this country is entitled.

Mr. EDOUARD LACROIX (Beauce) (Translation): Mr. Speaker, the state of affairs, to-day, created by unemployment is a problem that every nation in the world has to deal with. Our neighbours, the United States, if we are to place any faith in their press are in no better position than we are. According to the New York Sun of last Saturday, there are, at present, about 5,000,000 unemployed in the United States. To what must we ascribe this state of things? It must be as a whole, attributed, in my opinion, to overproduction of industries.

Our rural districts also have their unemployed. At this period of the year, the farmer marks time until the land is in a fit condition to sow. To-day, the manufacturer in the city only produces during four or five days per week, owing to the overproduction of the last two years. Without being in a precarious state, it is undeniable that our cities have produced too much during the last few years, hence the present state of things. Why have we, to-day, unemployment in Canada? For the very reason that we have been overproducing like many other nations.

[Mr. Ladner.]

Mr. Speaker, joy and sorrow are to-day and to-morrow. Periodically there is much adjustment to be made. If we look in the past, we note that about every seven or eight years the economic pendulum must be regulated. If we look back to the year 1914, we observe that during that summer, previous to the declaration of war, the Canadian artisan was in quest of work, even at a dollar per day. I know this to be a fact because I, myself, employ many hands. In 1914, the Canadian artisan was not always employed, even at one dollar per day. What happened in 1919 and 1920? When conditions were adjusting themselves, in 1919 and 1920, during nearly two years the Canadian artisan could not find sufficient work even to pay for his board. During those years, out of a total of 1,000 men, we could but employ 20 per cent of them. What happened to the others? They had to return to their homes and patiently wait until economic conditions adjusted themselves again. I therefore conclude, sir, that the present government is no more to blame for unemployment in Canada to-day, than the Conservative government was to blame in 1914 and 1920; if it is necessary to wait until economic conditions adjust themselves. Periodically, the entire world overproduces, hence the unfortunate situation we are at present facing. Are conditions, to-day, any worse than those of 1920 and 1921? No, sir. During that period the regulating of economic conditions lasted almost two years; the overproduction being so great that the artisan could not find work.

We are living, sir, in a country where natural resources are abundant. Our people, at times, seem to think that prosperity will always reign, and when they earn big wages, they are not always thrifty. This stage of readjustment must return periodically; it is at present taking place.

Added to this overproduction which brings on this readjustment just mentioned, speculative tendencies must be reckoned with. Last year a large number of Canadians engaged wildly in speculation. What was the result? The losses sustained nearly everywhere were the cause of a general depression, the purchasing power of the dollar fell from 40 to 50 per cent; and. owing to overproduction, goods were not sold and remained in bond.

Last week sir, to my astonishment, a kind of prearranged delegation came to interview the right hon. Prime Minister (Mr. Mackenzie King) in order to request him to permit the reorganization of a company in the neighbouring city. I was astonished to learn that these gentlemen had not addressed themselves to the hon. leader of the opposition (Mr.

Bennett), for, if I remember right, the hon. leader of the opposition held, some time past, interests in that neighbouring city plant, I mean the E. B. Eddy Co. One of those who took part in the delegation said to me last week: "We would like to see the E. B. Eddy plant open its doors in order to give us work." What has the Prime Minister got to do with the Eddy Co.? Should they not instead have submitted their case to the leader of the opposition?

The merging or amalgamation of companies sometimes does great harm to the working class. Take, as an instance, the Eddy concern. What was the outcome of its merger with the Berthier company? Some hundreds of employees were thrown out of work in the city of Hull. And why? Often the manufacturer is not satisfied with 5 per cent interest, he expects one per cent more regardless of the effect it may have on the workman. These trusts therefore tend to increase unemployment in this country. I understand that laws exist against trusts in Canada. Why do we not ask the government to enforce them as much as possible? All company mergers create a larger number of unemployed: Whether it is through the board of directors or officials employed, etc., the merger having taken place, many employees are thrown out of work. I do not wish to refer only to large industries, trade mergers such as chain stores, paper industries or any other merger; they are all inimical to the interests of the wage earners.

Are there no other means to remedy this state of things? I say there are. We may perhaps find one of these remedies in the better understanding between the manufacturer and his employees. If the manufacturers could come to a better understanding with their employees, they would certainly improve the situation. Why does not the manufacturer contribute more to the welfare of his employees? Why not pay them a fixed amount per month instead of so much per hour? Many industries employ their workers by the year, while others seem only willing to employ them at so much per hour, so as to make the greatest possible profit. The match factories, the woollen and cotton mills as well as the paper industry could certainly employ their workers during the entire year. Is it not a fact, even if the workmen were employed but five days per week, all industries being on an equal footing and obliged to pay their workers weekly or monthly, that it would be possible to keep the doors of these industries open and give the employees more comfort in life?

The comparison may seem somewhat farfetched, but is it not a fact that in the lumber industry, for instance, the proprietor must feed his horses seven days a week? Is he not forced to keep his modern machinery in good condition seven days a week? Well, sir, why not treat the human labour in the same way, at least during six days a week? I am strongly in favour of these improvements providing that all employers in this country be placed on an equal footing. I want the workman to enjoy all the comforts possible and to be given as much care as we give to modern machinery. As I have just stated, if we are to feed the horse seven days a week, why should not the human being receive the same treatment, for seven days per week.

I know many employers who hold my views; there are of course others who think differently. Who are the latter? They are, sir, people who have no other thought than that of the mighty dollar. Many employers hold my views, because they believe that there are other considerations than that of money which count in this world. Living themselves in comfort they are willing to help their fellow-creatures to live in a decent way. I wish to add that if such an understanding existed between capital and labour, all would benefit by it.

On motion of Mr. McGibbon the debate was adjourned.

On motion of Mr. Stewart (Edmonton) the house adjourned at 10.58 p.m.

Tuesday, April 8, 1930

The house met at three o'clock.

BANKING AND COMMERCE

Third report of the select standing committee on banking and commerce—Mr. Hay.

CANADIAN NATIONAL RAILWAYS

Annual report of the Canadian National Railways for the year ending December 31, 1929—Mr. Crerar.

DEBATES COMMITTEE

MOTION FOR CONCURRENCE IN FIRST REPORT

On the order:

Resuming the adjourned debate on the motion of Mr. Young (Weyburn), for the concurrence in the first report of the select standing committee appointed to supervise the official report of the debates of the House of Commons.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I would move that the report be referred back to the committee for further consideration.

Motion agreed to.

RUSSIAN ANTHRACITE COAL

On the orders of the day:

Mr. ROBERT K. SMITH (Cumberland): Mr. Speaker, I should like to ask the Prime Minister (Mr. Mackenzie King) what steps, if any, is the government taking, or does it propose to take, to prevent the entry into Canada of anthracite coal produced in Russia under conditions of sweated labour at a cost of a rouble a day, equivalent to eighteen cents, as mentioned in the House of Commons in London yesterday by Sir Newton Moore?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend was good enough to give me notice of this question. I might say the government had read the statement of Sir Newton Moore and we are taking steps to ascertain the facts. When we have the facts before us the matter will be given careful consideration.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Might I ask the Prime Minister if steps will be taken to establish a trade commissioner in Russia in order that the government may ascertain the facts?

Mr. MACKENZIE KING: That also will have to receive consideration.

RADIO BROADCASTING

On the orders of the day:

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, I should like to ask the Minister of Marine and Fisheries (Mr. Cardin) if it is his intention to bring down before the Easter recess legislation in connection with the radio report.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): The matter is going to be referred to a special committee, which will be appointed in a day or two.

Mr. HEAPS: Do I understand from the statement of the minister that there will be no bill introduced into the house?

Mr. CARDIN: Not at present. The report itself will be referred to the committee.

SUPPLY—UNEMPLOYMENT

AMENDMENT OF MR. HEAPS TO MOTION FOR COMMITTEE

The house resumed from Monday, April 7, consideration of the motion of Mr. Mackenzie King for committee of supply, and the amendment thereto of Mr. Heaps.

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, the resolution of the member for North Winnipeg (Mr. Heaps) now before the house is that some immediate action be taken by this parliament to solve the question of unemployment in Canada. That there is unemployment in Canada I think probably no one will deny. That there are many causes for this unemployment I think we all admit, and some of the causes I hope to discuss this afternoon.

Chief among these causes, sir, and the one that I want to emphasize first, is that responsibility for the grave condition of unemployment in Canada to-day can be laid mainly at the door of this government. This government has lost its vision; it has lacked courage and it has had no definite policy. There has been no unity in the fiscal system sponsored by the present government. Under these conditions how can we expect to have an aggressive government, one that would shape its policy so as to give industry a chance and make employment plentiful. We might cast our eyes backwards for the short period of ten years and recall the time when the present Prime Minister (Mr. Mackenzie King) went up and down the country seeking election. At that time he painted a new heaven and a new earth for the people of this country, if they would only put him in power. After having been there ten years we find that the picture has faded and the vision has disappeared. To-day we have a condition of affairs which is probably worse than it has been for the last ten or fifteen years. Not only the Prime Minister, but his cabinet as well is involved.

Sitting near the right hon. gentleman I see the Minister of Finance (Mr. Dunning). We are told that he is weighing in his left hand a protectionist budget and in his right hand a free trade budget. He has been unable to decide which to give the country in order best to meet the political expediency of his party. As a result of this, interest in business is lagging and unemployment in Canada is on the increase. Then, there is the great protectionist the Minister of National Revenue (Mr. Euler). I think everyone in the house will remember when he stood in his place about a year ago and gave that patriotic Canadian speech for which he received the applause of nearly every hon. member. But alas to-day we find that the idol has fallen and that his feet were clay. Next we have the Minister of Railways (Mr. Crerar), and at this time I pause to offer him

my personal congratulations upon his return to the House of Commons and to the government. In addition to that I extend congratulations to my leader (Mr. Bennett) the member for West Calgary, that the Minister of Railways has joined the present government. I have watched the career of the hon. gentleman for thirteen years. I have seen him partially destroy at least two parties, and now he has joined the funeral march which will help to bury the present government. I remember when in 1919 he left the Union government, because its policy of protection was too high; I remember when he was in the old museum as leader of the Progressive party. I remember how he led that party for a few months or a year and then let it drift to the tender mercies of the present leader of that party. After wandering for a time through the wilderness he has returned to his first love; he has joined the present Liberal party and he has taken the portfolio of Minister of Railways and Canals.

Then, sir, we have the Minister of the Interior (Mr. Stewart). We all know how he has gone up to the attic and brought down the old bundle of hay called free trade. We know how the hon. gentleman has clasped it to his heart and sounded the death knell of a protective policy for this country. That is not all, Mr. Speaker. Following that we have the Minister of Labour (Mr. Heenan) who has assumed the portfolio which ought to be one of the most important offices in this government. The machinery under the control of the hon. gentleman is in a dilapidated condition; the cylinders are missing, the gears are stripped and the tires are deflated. He has attempted the military tactics which we used in the army of knowing nothing, hearing nothing, seeing nothing and doing nothing. Consequently when we consider the aggregation of men who call themselves a cabinet, when we consider the diversified ideas they have as to the fiscal policy of this country, and the fact that they have been in office for the last eight or ten years, can we wonder that to-day business is stagnant, unemployment is increasing and hard times again exist in the Dominion of Canada.

While I was considering the cause of the present conditions I turned up the book which was written by the Prime Minister, and on page 518 I read the following words, which are very significant when we consider the present situation in this house and in the Dominion of Canada:

> There is a crafty opportunism which would prefer that principles and rules should not be too definitely stated, an unprincipled strategy that is continually shifting its position in order to avoid impending responsibilities, or repudiating principles that some immediate temporary advantage may be gained. Such practices are destructive of the very foundations of industrial justice. Law and order cannot exist without stability; and stability cannot endure where opportunism prevails.

I wondered as I read that paragraph if the Prime Minister was speaking as a prophet because certainly to-day the voice of history has recorded the accuracy of that prophecy, as it applies to the present government. They have been opportunists from the day they came into office, and we know that one thing they have always lacked has been stability in their policy of government.

I have said that there is unemployment in this country to-day. I would like to ask this house if it is not the duty of every country to furnish employment for its people. Every man and woman in Canada who is not a parasite and who wishes work should be given the opportunity. When we consider that this country is not able to supply work for at least one hundred thousand people, to say nothing of the 700,000 that the policy of the government has driven out of Canada, I ask, what have been the results of such a policy? What policy have they at the present time?

The late John Bright in speaking in the British House of Commons charged the government of the day with the duties which he thought belonged to the government of the country. In effect, he said that the life of every nation rested in the cottage and unless the light of their legislation and the beauty of their statesmanship could shine there they had not learned the lesson of government, and their people could not be a happy people or their nation a great nation.

Applying that test to the government of the day, assuming it to be a fair measure by which we can judge the results of the last ten years, I ask the Prime Minister and his government, what are the conditions in this country to-day? A few days ago the Prime Minister made a statement in this house similar to one that he made before the representatives of the cities of western Canada when they attended before him in connection with unemployment. He stated on those occasions that there was no unemployment in Canada at the present time—or at least no unusual unemployment. I have in my hands a statement prepared by the Department of Labour covering the province of Ontario. It deals with such cities as Belleville, Brantford, Chatham, Cobalt, Fort William, Guelph, Hamilton, Kingston, Kitchener, London, Niagara Falls, North Bay, Oshawa, Pembroke, Peterborough, Port Arthur, St. Catharines, St. Thomas, Toronto and Windsor, a cross sec-

tion of the entire province, and it indicates that to-day there are some 43,000 people unemployed, which is about 100 per cent more than were unemployed at this time last year. In view of these facts, Mr. Speaker, I ask you whether the Prime Minister has taken the proper attitude towards this question in refusing assistance in order to relieve this emergency which exists throughout Canada.

Just for a moment, sir, I should like to refer to what was done in the United States by President Hoover. This is not new to most hon. members, but probably they have not realized the magnitude of the result. You will remember that when the stock market crash occurred last fall President Hoover called together all the heads of industry from the different states of the union and encouraged them to do everything they could to tide over the unemployment situation and the business depression that was then in view. It may be news to hon. gentlemen to learn that as a result of that conference no less than six billion dollars is being spent in the United States at present which would not have been spent had it not been for the leadership given by President Hoover.

We on this side of the house have not been backward in giving advice and indicating remedies to this government. We have brought to their notice the question of the construction of a transcontinental highway which, if it had been undertaken, would have absorbed a great deal of the unemployed; we have brought up the question of technical education which, though it would not bring any immediate relief, would at least indicate the path industry might take in the future which eventually would have a marked effect upon the employment situation. We have brought up the matter of the New Zealand treaty under which the importations of butter this year probably will amount to some fifty million pounds. That much labour has been taken away from the farms of Canada, and it must be remembered that this treaty affects not only butter but the allied beef and pork industries. It has been stated that there are 500,000 less hogs on the farms to-day than was the case a few years ago. If the government had taken steps to remedy these conditions, sir, we might not be in such a deplorable condition at the present time.

In my riding there is a small town, sir, where we have an industry which has been shut down for the first time in fifty years. The other day I asked the proprietor how many people he employed, and he said he usually had 70 or 80 people working for him. I have looked up the importations of woollens, and I find that the millions of dollars' worth which have been imported would keep 200 mills of that capacity going the year round. With a proper application of the policy which we should have in this country could we not increase employment to a very considerable extent? I also have in my hand a despatch which states that maple flooring has been dumped in the city of Windsor at $58 per thousand feet, duty paid, which is the equivalent to a price of about $43 per thousand in the United States. I desire particularly to bring this to the attention of the Minister of National Revenue. I am told that this flooring is sold in the United States at present for $69 per thousand, but it is dumped into this country at a total cost of $58 and the result is that many of our mills are idle or working only half time. That is another way in which this government could take some action to provide work in this country for our own labourers. Why must we hand over these benefits to the United States? I say it is too great a price to pay, even as a gesture to that country. We want this work done in our own country; we want it kept for our own people, and if we had a proper policy we would not have the unemployment which is so prevalent to-day.

While going to the city of Toronto from my own town two weeks ago I was talking to a gentleman who is in the manufacturing business. He manufactures small show cases such as you see in cigar shops filled with flash lights, Tuckett cigars, and so on, and he had been manufacturing those show cases in this country for a great many years. A few months ago he received an order from the United States for 125,000 of these cases, and when he sent over his first shipment he was met with a duty of 27½ per cent. By the time he got to the border with his second shipment, however, he found that the duty had gone up to 60 per cent, which made it prohibitive. In effect they said, "These goods can be made in this country, and they must be made here by United States workmen." I submit, sir, that that is a sound policy for the United States and it would be a good policy for Canada as well, because it would keep work in this country for our own men and women.

I was very much surprised this morning, when I picked up the newspaper, to see that the Minister of the Interior (Mr. Stewart) had, in a very mild manner it is true, repudiated the statement of his leader the other day that he would not give five cents to the unemployed in any province which had a Tory government.

Mr. YOUNG (Weyburn): He did not say that.

Mr. McGIBBON: I wonder if we have now a third leader in the Liberal party. I was wondering whether the Minister of the Interior or the Prime Minister was speaking for the party, but apparently the hon. member for Weyburn (Mr. Young) has taken that task upon himself. I have referred to the lack of a policy and to the lack of unity in the cabinet; the other night we heard the Prime Minister and the Minister of Labour flatly contradict each other on the matter of unemployment insurance, so I am beginning to wonder if the leadership of the Liberal party is at the head or at the tail, or whether it is back in the constituency of Weyburn. I was also impressed, in reading the paper the other night, with the speech delivered by the hon. member for West Elgin (Mr. Hepburn) in Brampton, in the course of which he had to apolozize for his leader. Was he authorized to tell the people that the Prime Minister had made that statement in a moment of anger? Was he authorized to say that he made it after being provoked by the members on this side of the house, when Hansard will show that there were no interruptions up to that time? The Prime Minister asked this house not to interrupt him, and Hansard of that day will show that there were practically no interruptions up to the time the Prime Minister made what I think was a very deliberate and intended statement, that the unemployed of any province under a Tory administration would not receive five cents from this government. After hearing that statement I wondered whether or not there was any humanity in the heart of a prime minister who would refuse the men, women and children of this country any assistance because for the time being they happen to be living under the rule of a Conservative government. I could not help but think of those days in past history when the Christians were slaughtered to make a Roman holiday, and wondered if that state of affairs were to be repeated in Canada under the rule of the right hon. the Prime Minister. Does the Prime Minister intend to prevent the unemployed of this country from offering their prayers to the Divine Being, and to ask them to cast their eyes towards him and towards his government and say: Give us this day our daily bread. Does he want the unemployed of this country to bow down and worship at the altar of Liberalism in order that they may receive some sustenance for their starving wives and children.

Who pays the taxes of this country? The returns for the income and customs taxes, as well as for the Post Office Department, will show that the province of Ontario pays a considerable proportion into the treasury of the hon. Prime Minister. Who authorized him to say to the people of this country in general, and to the people of the province of Ontario in particular that although they have contributed heavily to the treasury of this country this government will not give their unemployed a dollar for bread? If we had not been here in the house and heard that statement, or had not received a confirmation from those who were present, it would be hard to believe that a prime minister could stand in his place in the House of Commons and issue such a message to the people of Canada. However, there is an election appearing on the political horizon, and the people of Canada will remember that when they were hungry they were refused bread, and they will mark their disapproval towards this government in no uncertain way.

Mr. E. C. ST-PERE (Hochelaga) (Translation): Mr. Speaker, from the very outset of this debate, I have repeatedly heard that unemployment, instead of being, properly speaking, an international problem, is a national one for Canada. I do not deny—and one must yield to evidence—that there exists unemployment in our midst; however, I also believe, and this on very conclusive statistics, that unemployment is to-day an international problem.

When an interesting question crops up in the house, unfailingly the poor worker is dragged into the discussion. The worker, so to speak, is nothing else to-day than a political football which is tossed to and fro by the contending factions for power, in this country.

Mr. BOURASSA (Translation): Hear, hear.

Mr. ST-PERE (Translation): Perusing the statistics of the world press, I find in the London Daily Herald, the official organ of the English Labour party, that the United States have 6,000,000 unemployed; Germany, 4,500,000; Russia, 2,000,000; Great Britain, 1,500,000; Japan, 800,000; Italy, 500,000; and that about 18,000,000 unemployed are scattered among the nations of the world.

It is, sir, but reasonable to use in a discussion of this kind, some common sense, to step out, so to speak, from the political arena in order to help more efficiently this very worker which we so much desire to protect.

To bring some order to a debate of this kind, since unemployment is regarded as an important question of the hour—it is always a question of the hour since we must love one another—it is well to investigate first what are the causes of unemployment.

The primary cause met with is the system in practice since a number of years of

"rationalizing" industry. What is this new system which inevitably casts on the street a great number of city workers? It is the merger taking place, to-day, under the wing of large commercial and financial trusts, the merger of badly equipped industries with those posesssing up to date machinery. I represent the largest labour division of the city of Montreal and I know what is happening to those various industries. The economic reorganization of Europe which took place during the after-war period, prevents to-day certain countries manufacturing articles, sold previously in large quantities, from selling their overproduction on those same markets which they controlled in the past. If we examine the primary cause, so to speak, of unemployment in England, what do we find? In Wales especially we find a succession of strikes taking place. We note that it is the lack of coal markets abroad which brought on those numerous strikes and consequently, as a logical sequence, caused the decrease of work in the large English dock-yards. The celebrated economist, Keynes, of England, recently stated that the cause of unemployment in that country, was the result of the English money system reverting to the gold standard. Following the period of inflation the English money market went through a period of depression which, after depriving the small industries of the necessary capital, inevitably led to the unemployment of a large number of people who previously were employed in those small English factories.

What is Canada's position to-day? Canada, owing to the sale on the English market of foreign wheat shipped from the Argentine Republic, France, Transylvania, etc., finds it, at present, impossible to ship abroad the surplus of her crop. What was the result in my own riding of this state of things which, I hope, will only be temporary? Two of the largest wheat elevators in the city of Montreal are in the Hochelaga division. During last summer many labourers found themselves without work owing to the impossibility of selling our wheat abroad. We cannot force Europe, after all, to consume our wheat if she does not need it. These people found themselves on the street because we could not ship abroad the surplus of our crop. The dockers were obliged to go without work, as well as the employees of our large railway companies. The Angus shops are located in my riding and so are the employees of the various departments of these shops; the employees of the repair shop complain that they work only part of the time because the cars are not in use and need no repairs.

[Mr. St-Père.]

For instance, take the employees of our great railway systems. Let us be honest enough to admit openly the facts: it is well known, to-day, that our large railway companies are endeavouring to improve and centralize more and more their system, to utilize as means of traction the most powerful locomotives which, to-day, draw as many as eighty to one hundred cars, thus replacing three ordinary locomotives and thereby depriving of work about twelve persons daily, as we must remember that these persons work in two shifts.

This moreover does away with brakesmen, freight train conductors, etc. The enumeration would be endless and I have but forty minutes at my disposal.

Let us now turn to the people who have a trade. I have in my riding large mills known as the Dominion Textile. It has the reputation of paying small wages to its employees, notwithstanding that it enjoys a good protective tariff. A girl weaver who, a few years ago, had charge of five looms, can to-day take charge of about twenty. Thus four persons are dispensed with in each group of workers. One can therefore figure out from a given number of people employed, who previously had work in the weaving department, how many have been dispensed with owing to the improvement on machinery.

Let us now consider construction activities It is well known that in our large cities, with the exception of certain big companies who own up to date equipment, there exist no small carpentry or general construction contractors who own the necessary equipment to undertake during the winter months concrete foundation works, etc. so that at the end of the autumn, owing to uncontrollable circumstances, there are still a large number of trade workers who are deprived of work. No one is without knowing that.

I could enumerate a number of industries where similar conditions exist. For instance, in the boot and shoe industry, the perfection of machinery with regard to quantity production, eliminates a great number of workers.

There seems, in this house, a preference shown for United States statistics in supporting an argument and laying down a principle in a positive manner. Let me quote from a report of the Bureau of Labour statistics in the United States so as to show in what way modern machinery has increased production. The increases range from 24 per cent in the boot and shoe industry to 178 per cent in aut mobiles and 292 per cent in the manufacture of automobile tires. From 1904 to 1927, the automobile workers have increased

their output by 600 per cent. Four industries averaged 170 per cent increase from 1899 to 1927. Blast furnace workers contributed 360 per cent; steel mill hands, 230 per cent; petroleum refiners 200 per cent; and the leather tanners 50 per cent. And, what might be of interest to a great number in this House who are interested in the paper industry, is that from 1925 to 1927, the increase in the output of our pulp and paper mills has been 10 per cent.

Secretary Davies of the Labour Department of the United States states that the American industries produce to-day 25 per cent more than two years ago and employ 3,000,000 workers less. Let those who take such an interest in the great labour movement and those who simulate such a deep love for the workman, preaching to him the sermon on the mount, put into practice the good advices that the sermon contains, let them all listen to what the Executive Committee of the American Federation of Labour declared a short time ago; their report states: that in the first half of the year 1929, there were in the United States about 500,000 fewer wage earners engaged in industry than in 1919, and about 1,000,000 less than in 1920.

There is another cause which has greatly contributed to unemployment in this country, and though I may shock many, I shall certainly not let the opportunity slip by of pointing it out, because many of my constituents have been the victims. Unlimited immigration from foreign countries, it matters not whether this immigration comes to us from the British Isles or from elsewhere; I shall even go further, for I maintain that immigration from the British Isles has been the principal cause of unemployment, at least in the province of Quebec. I cannot understand by virtue of what false reasoning resting on a misinterpretation of patriotism, one so often forgets that the first right to work in this country belongs to Canadians. Hardly has the immigrant from the British Isles set foot on the wharves, in Montreal or Quebec, that he is invited to replace in our factories a French, Irish, English or Scotch Canadian, whose ancestors have been living in this country for nearly 200 years. I am glad to note that the Government has taken the necessary steps to put an end to this invasion.

Mr. BOURASSA (Translation): Hear, hear!

Mr. ST-PERE (Translation): Let us not circumscribe the cause of unemployment to industries only. There also exists what the Americans have agreed, for some time past, to call technological unemployment. There is in this House quite a number of business men. In their own offices, these gentlemen always relying on the principles that improvement is the keynote in business, have been quick to note that the addressograph, mimeograph and etc. have contributed largely in dispensing with the service of numerous employees.

After having pointed out a few causes of unemployment, it is well to look for, if not an infallible cure, at least a remedy to be used in decreasing unemployment. I appeal in this matter to the members of this House who are manufacturers. I also take the opportunity of pointing out to the artisans—those who attend our technical institutions, hoping to become foremen of workshops or even great industrial leaders—the views of Senator Couzens of the United States, who, starting from a simple worker's bench, became the partner of Mr. Ford in his immense plant in the United States and to-day looked upon as one of the wealthiest men in the American republic. This is the advice given by Mr. Couzens to solve the unemployment problem:

> Senator James Couzens of Michigan, probably one of the richest men in the United States Senate, declared lately in the Survey-Graphic Magazine: "If every industry were to pay its men by the year instead of by the hour or the day, industry would find a way to stabilize its production so that it got its money's worth.
>
> Competent management finds a way to go through periods of depression and it can find a way to help its workers through them."
>
> There are many industries in this country which have stabilized dividends. There are great railroads, great utility companies which send their quarterly dividends to their stockholders whether times are good or bad.

Professor Squires deplores the lack of co-operation among the employees so as to minimize the crisis of unemployment.

Here are two other views which certainly deserve to be noted:

> "Business crises and unemployment are as preventable as smallpox" declared Edward A. Filene of Boston, one of the leading merchants of the country. "The old idea that wages come out of profits was all wrong," said Mr. Filene. It's a good business to pay higher wages than you have to.
>
> What pays is to make prices as low and wages as high as possible. The "new capitalism" understands that business can prosper only when employee and the public are prosperous. High wages pay—and they don't come out of profits. "Only 20 per cent," he says, "of American business understand the truth of the 'new capitalism' but the other 80 per cent will be put out of business if they don't learn it."

Mr. Henry S. Dennison, manufacturer, of Farmingham, Massachusetts, states:

> The old idea was that you got rich by making others poor. The new idea is that you get rich by making others richer.

Many other means have been suggested to counteract the crisis of unemployment. The railway employees of the United States are clamouring for the week of five days; the employees of the large steel corporations in the United States are disatisfied with the wages, at present, paid to them, basing their contentions on the services they render to those large corporations. This is what is now happening in the United States in connection with the wages paid to the employees of the United States Steel Corporation:

The United States Steel Corporation made a peace-time record of prosperity in 1919. After paying all operating expenses, paying interest on bonds outstanding and premiums on bonds retired; after allowing for Federal taxes and setting aside more than $63,000,000 for depreciation of plants and depletion of ore reserves, the Steel Trust still had $197,592,000 net profits.

This is a gain of more than $84,000,000 over the net profits of 1928. It is stated to be about $20 per share of common stock outstanding.

But the article adds: steel prosperity is for steel owners only. No workers need apply for an increase of wages.

Big wages are better than big profits in providing employment. High wages help a hundred families where high dividends help one.

My allotted time, sir, is short, I must therefore be brief. What would be the great remedy to guard against unemployment, taking into consideration the quotations I have just given and without returning to the system of private industry which, undoubtedly, would tend much more to put into practice the sermon on the mount? I state, with all the seriousness that a Christian must bring into the discussion of such problems, that it would be necessary to christianize anew industries and trusts; that it would be necessary to inform these great organizations, which have shareholders spread all over North America, that it is their duty, like that of those who in the past were at the head of private industries, to consider their employees not as slaves but as members of the large Christian community. These people should practise what a large manufacturer in the north of France told his employees: "that he worked to earn and earned to give."

Far be it from my thoughts to set at variance capital and labour. That would be the last of the doctrines I would advocate in my riding. But for heaven's sake, when orders pour in by the thousands, when these large manufacturers divide among themselves enormous dividends in prosperous times, let them have the foresight to place in their reserves sums that they could later use to relieve their employees in times of crisis.

The great cure, say our Conservative friends, would be a protective tariff which, at present, is supposed to be doing wonders in the United States, notwithstanding that American statisticians themselves state that 24,000,000 Americans are, at present, suffering hardships, in spite of the high tariff wall the United States surrounds itself against foreign products.

[Mr. St-Père.]

In Germany to-day—it is an understood thing—big companies split large dividends among themselves, but unemployment tends to so greatly increase that the People's Party have lately advised Field Marshal Von Hindenberg, President of the cabinet, to impose what they call a "sacrifice tax," that is to increase by 10 per cent the income tax. With regard to insurance against unemployment, it is suggested to increase the premium by half of one per cent, because the funds are exhausted. In order to guard against all inexpediencies arising from the world-wide business crisis, they are considering taxing tobacco, soft drinks and numerous other articles of first necessity, taxes which will further burden the masses. I do not think it necessary to dwell any further on the subject; however, at the risk of being looked upon as a dictator, let me quote the views of Mussolini: "Parliaments are not in a position to solve the unemployment problem, but this great question should be referred to a commission of experts, and this has already been done in Italy, under the name of "Corporazioni" comprising representatives of all classes of society who are studying this great problem free from all political considerations."

I cannot, Mr. Speaker, support the amendment to the motion to go into committee of ways and means, for the following reasons: first its adoption would mean a vote of non-confidence in a government which has done a great deal for the labouring classes; secondly, it secures but a small pittance for our unemployed; lastly it would be but a poor remedy for the present depression which our opponents wish to make use of for political purposes. I am a member of the Committee on Industrial and International Relations of the House. Last year when the question of unemployment cropped up it was decided to suggest to the government that they should come to an understanding with the provinces. Were I asked my views with reference to social insurance, I have no hesitation in saying that a well conceived and wisely applied insurance against unemployment, would be very beneficial to our working classes; but not insurance under the control of a political body, as that created by Lloyd George, in England, when under the stress of an after-war opportunist movement, he made all the English people participate in the insurance benefits derived from the covenanters. I am

in favour of an insurance against unemployment in which would participate government, industry owners and workers, as requested by the Trade and Labour Congress and the Catholic Unions, and which would be of a nature to satisfy entirely all our workers besides relieving the unemployment crisis. Even then, I revert to my first statement, and say to the manufacturers: If you wish the workers to contribute to this insurance fund against unemployment, pay them reasonable wages. There lies the solution of the whole problem, sir, and I trust this will take place before long and will help to assure to the working classes of this country a fair share of prosperity and justice to which they are entitled.

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): I have listened with much interest to the splendid speech delivered by the hon. member for Hochelaga (Mr. St-Père). It is a fine oratorical achievement and an irrefutable answer to the statements of the hon. member for Muskoka (Mr. McGibbon). May I now, sir, refer, in answer to the hon. member for Queens-Lunenburg (Mr. Ernst), to the Labour Gazette, at page 193 of the February issue, 1930. This is what the Labour Gazette has to say:

As is customary at the beginning of the year, employment on January 1, 1930, showed a pronounced curtailment which involved practically the same proportion of the aggregate staffs as that indicated on January 1, 1929 and 1928. Activity in recent months has been at an exceptionally high level, so that many employers took the opportunity of closing their entire plants during the holiday season for necessary repairs and inventories, as well as to provide a vacation for their staffs. However, the situation continued better than on the corresponding date any other year since the record was instituted in 1920.

Following up this statement, let me again refer to the hon. member for Queens-Lunenburg, in connection with the Maritime Provinces. The Labour Gazette adds:

In contrast with the losses usually recorded at the beginning of the year, there was an increase in employment in the Maritime Provinces; this occurred chiefly in transportation, and was due to the opening of the winter posts.

I dare not compare the idealistic views of the hon. members on your left, Sir, with the masterful statements that the right hon. Prime Minister (Mr. Mackenzie King) made a few days ago, on economic conditions in Canada.

Before, sir, making a few comments, I wish to state first that the amendment of the hon. member for Winnipeg North (Mr. Heaps) is an unfair presentation of economic conditions, such as they exist in Canada.

Foreign capital invested in our national enterprises is on the increase. For the year 1929, our output from the mines increased by $20,500,000 over that of 1928.

The province of Quebec alone, last year, showed an increase of nearly $8,000,000. Is it possible to conclude with such excellent results that unemployment is greater in this country? In Montreal alone, industries, in 1927, were paying in wages the sum of $113,-797,512. The number of employees, men and women, was 98,353. I took these figures from the Agricultural and Industrial Review, in the April issue, 1930. The same review adds that the figures for the years 1928 and 1929 will be much higher, thanks to an extraordinary industrial expansion.

I alluded to a few private industries. Were I to enter into further detatils for the purpose of establishing, always by official statistics, that the prosperity of our large basic industries does not justify the amendment moved by the hon. member for Winnipeg North, I would never end. It would have been better for the hon. member, on his recent trip to Montreal, to investigate at the very sources, to visit the large plants of the metropolis and its port. His views on Montreal would have been fairer to the people of that large city, and more satisfactory for him to relate. Perhaps he would have refrained from moving this amendment which, beside making this House lose precious moments, will have no practical result.

I have been a constant admirer of the champions of the people who sweat, toil and suffer hardships. With pride have I always championed their cause on all occasions and in all places where I was privileged to do so. I am aware that the fate of the workers is intimately linked to our economic evolution in all fields of activities. But I have already stated, and now repeat it, among the basic industries of Canada, there is one which our governments must never lose sight of. Agriculture gives bread to all men, women and children in whatsoever country we find the human race. Agriculture employs 60 per cent of Canada's toilers; manufactures, forests, mines and fisheries 40 per cent. If nothing must be neglected to assist these industries, let us always bear in mind the one which makes for our prosperity as a nation. Let us find both work for the city artisans and the toilers of the land. To attain that end is it necessary to have recourse to the so-called remedy concocted by the hon. member for Winnipeg North (Mr. Heaps)? Not so. All true Canadians have courage, perseverance and valiance. Inspired by a generous policy, let us still broaden our program of construc-

tion for the city workers. Let us further encourage our industries. To the man on the land, let us give the necessary grants to promote agriculture. The present government, in 1929 alone, increased its agriculture subsidies to $118,000,000. It was only just, it was a sound policy. However, all must not hinge on subsidies. Modern methods of farming demand training. Moreover, cooperation is a sure pledge of success. Let us direct our best initiatives towards this end and towards obtaining results from our efforts.

Let me conclude my remarks by stating that personally my entire confidence reposes in this government, which for nearly ten years has never ceased applying itself to improving our finances.

In a speech which was a credit to this parliament and country, the right hon. Prime Minister eloquently depicted the work accomplished in the last decade. The constant reducing of the public debt, the cutting down of taxes, the increase of our production, the progress of trade and industry, all bear witness to the sound administration which presides over our destinies. The stabilization and progress of Canada's finances during the after-war period, testify to the magnificent effort which Canadians must acknowledge.

I am well aware that the hon. members of the opposition, are endeavouring to close the eyes of the ratepayer to this actual state of prosperity. This of course is a part played by all oppositions. However, when the people will be called upon to choose between the wholesome deeds of one party and the misdeeds of the other; when the Canadian people will be called upon to give their verdict on the present political situation; will it be possible for them to ignore our economic progress and new prerogatives as a nation?

The house divided on the amendment (Mr. Heaps) which was negatived on the following division:

YEAS

Messrs:

Adshead,
Anderson (Toronto-High Park),
Barber.
Bell (St. Antoine),
Bennett,
Bird,
Black (Yukon),
Bowen,
Boys,
Brady,
Cahan,
Campbell,
Cantley,
Carmichael,
Casselman,
Chaplin,
Charters,
Church,
Coote,
Cotnam,
Edwards (Waterloo South),
Embury,
Esling,
Evans,
Fansher (Last Mountain),
Fraser,
Gardiner,
Garland (Bow River),
Garland (Carleton),
Geary,
Grimmer,
Guthrie,
Hanson,
Harris,
Heaps,
Hocken,
Hubbs,
Jelliff,
Johnstone (Cape Breton North-Victoria),
Jones,
Kennedy,
Lawson,
Lucas,
Luchkovich,
Macdonald (Richmond-West Cape Breton),
MacLaren,
Macphail (Miss),
McQuarrie,
McRae,
Maybee,
Murphy,
Neill,
Peck,
Perley (Sir George),
Pettit,
Plunkett,
Quinn,
Rennie,
Robinson,
Ross (Kingston City),
Rowe,
Ryckman,
Ryerson,
Senn,
Simpson,
Sinclair (Wellington North),
Smith (Cumberland),
Smoke,
Spankie,
Speakman,
Spence,
Spencer,
Spotton,
Stewart (Leeds),
Stinson,
Stirling,
Thompson,
Tummon,
White (London),
Wilson (Wentworth),
Woodsworth.—81.

NAYS

Messrs:

Baldwin,
Bancroft,
Beaubien,
Benoit,
Bertrand,
Bettez,
Blanchard,
Bock,
Boivin,
Bothwell,
Bouchard,
Bourgeois,
Brown,
Cahill,
Cardin,
Casgrain,
Cayley,
Chevrier,
Crerar,
Denis,
Desaulniers,
Descoteaux,
Deslauriers,
Dionne,
Donnelly,
Dubuc,
Duff,
Dumaine,
Dunning,
Dupuis,
Dussault,
Elliott,
Fafard,
Fansher (Lambton East),
Ferland,
Fiset (Sir Eugène),
Gershaw,
Gervais,
Girouard,
Glen,
Goulet,
Gray,
Hall,
Heenan,
Hepburn,
Howard,
Howden,
Ilsley,
Jenkins,
Johnston (Long Lake),
Kay,
King, Mackenzie (Prince Albert),
Lacombe,
Lacroix,
Laflamme,
Langlois,
Lang,
Lapierre,
Lapointe,
Letellier,
Lovie,
Macdonald (Glengarry),
MacLean (Prince),
McLean (Melfort),
McKenzie,
McMillan,
Marcil,
Mercier (Laurier-Outremont),
Millar,
Milne,
Morin,
Morrissy,
O'Connor,
Odette,
Parent,
Perras,
Power,
Prévost,
Raymond,
Rhéaume,
Rinfret,
Roberge,
Robitaille,
Ross (Moose Jaw),
St-Père,
Sanderson,
Séguin,
Sinclair (Queens),

Smith (Stormont),
Steedsman,
Stewart (Edmonton West),
Sylvestre,
Taylor,
Telford,
Thorson,
Tobin,
Totzke,
Veniot,
Verville,
Young (Weyburn).—100.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Delisle,	Kellner,
Motherwell,	McGregor,
King (Kootenay),	Black (Halifax),
Bowman,	Hodgins,
Hay,	Matthews,
Lavigueur,	Kaiser,
Fontaine,	Anderson (Halton),
Ralston,	MacNutt,
Malcolm,	Stevens,
Euler,	Manion,
Jacobs,	Young (Toronto),
Boucher,	Macdougall,
Mercier (St. Henri),	Bell (Hamilton),
Bissett,	MacDonald (Cape Breton),
McPherson,	Ladner,
Pouliot,	Lennox,
Guerin,	Maloney,
McIntosh,	Dickie,
Young (Saskatoon),	McGibbon,
McPhee,	Macdonald (Kings),
Vallance,	Clark,
Blatchford,	Ernst,
McDiarmid,	Bell (St. John),
Bradette,	Irvine,
Rutherford,	Gott,
Wilson (Vaudreuil),	White (Mount Royal),
Boulanger,	Price,
Allan,	Cowan,
Foster,	Short,
Cannon,	Arthurs.

Mr. MANION: I was paired with the Minister of National Revenue (Mr. Euler).

Mr. SPEAKER: Order. The question is on the main motion.

Main motion agreed to.

Mr. SPEAKER: As regards the declaration of pairs, I pointed out on a former occasion during this session that a list of the pairs is given to the clerk, who registers them. The house does not officially recognize pairs.

Mr. MANION: I should like to put myself on record, Mr. Speaker, because the Minister of National Revenue (Mr. Euler), with whom I was paired, is out of the house. I wish to state that had I voted, I would have voted for the amendment.

Mr. BELL (St. John-Albert): I was paired with the hon. member for South Winnipeg (Mr. McDiarmid). Had I voted, I would have voted for the amendment.

Mr. HAY: I was paired with the hon. member for Toronto East Centre (Mr. Matthews). Had I voted I would have voted against the amendment.

Mr. BLACK (Halifax): I was paired with the Minister of National Health (Mr. King). Had I voted, I would have voted for the amendment.

Mr. BOWMAN: I was paired with the hon. member for East Middlesex (Mr. Hodgins). Had I voted, I would have voted against the amendment.

Mr. McPHEE: I was paired with the hon. member for Kings (Mr. Macdonald). Had I voted, I would have voted against the amendment.

Mr. VALLANCE: I was paired with the hon. member for Vancouver-Burrard (Mr. Clark). Had I voted, I would have voted against the amendment.

Mr. MALONEY: I was paired with the hon. member for St. Ann (Mr. Guerin). Had I voted, I would have voted for the amendment.

Mr. YOUNG (Toronto Northeast): I was paired with the hon. member for Cartier (Mr. Jacobs). Had I voted, I would have voted for the amendment.

Mr. McGIBBON: I was paired with the hon. member for Saskatoon (Mr. Young). Had I voted, I would have voted for the amendment.

Mr. PRICE: I was paired with the hon. member for Bellechasse (Mr. Boulanger). Had I voted, I would have voted for the amendment.

Mr. COWAN: I was paired with the hon. member for North Oxford (Mr. Allan). Had I voted, I would have voted for the amendment.

Mr. SHORT: I was paired with the hon. member for Victoria-Carleton (Mr. Foster). Had I voted, I would have voted for the amendment.

Mr. SPEAKER: Let me read what May says:

> There can be no parliamentary recognition of this practice (pairing), although it has never been expressly condemned; and it is therefore conducted privately by individual members, or arranged by the gentlemen known as the "Whips" who are entrusted by their political parties with the office of collecting their respective forces on a division.

The whips give a list of the pairs to the clerk of the house. That saves much time.

Mr. SHORT: I want to state, Mr. Speaker, that although I have a regular pair duly registered with the official whip, it has never appeared in Hansard when a vote was taken.

Mr. SPEAKER: Order.

SUPPLY

CIVIL GOVERNMENT

The house in committee of supply, Mr. Johnston in the chair.

Office of the Secretary of the Governor General—salaries, $34,500; contingencies, including house allowance of $1,500 per annum to the Secretary to the Governor General, $72,500.

Right Hon. W. L. MACKENZIE KING (Prime Minister): This is the same amount as was requested last year, with the exception of a slight increase to cover two statutory increases. There is a reduction in contingencies of $15,000.

Item agreed to.

Privy Council—salaries, $55,110; contingencies, $7,000.

Mr. GARDINER: Would the Prime Minister explain what the vote of $7,000 for contingencies is for, and how much was spent under this head last year?

Mr. MACKENZIE KING: It is for printing and stationery, telegrams and items of the kind. The vote for salaries is $60 less this year.

Item agreed to.

External Affairs—salaries, $103,855; contingencies, $72,500.

Mr. SPENCER: Would the Prime Minister explain the increase in salaries?

Mr. MACKENZIE KING: There is really a decrease in the total vote. There is a slight increase in salaries and a larger decrease in contingencies. The increase in salaries is made up chiefly, I think, of statutory increases. The decrease in contingencies is accounted for by the lower amount required for cables and telegrams. I am afraid it is too small.

Mr. GUTHRIE: Apparently there is an increase of three on the staff—last year thirty-three, this year thirty-six. What are they, may I ask?

Mr. MACKENZIE KING: There is provision for an additional clerk, an additional stenographer and one secretary.

Item agreed to.

[Mr. Speaker.]

London—salaries and expenses of the office of the High Commissioner for Canada, including $2,000 additional salary for the High Commissioner to that authorized by chap, 15, R.S.C., $117,260.

Mr. GUTHRIE: May I ask my right hon. friend the Prime Minister what is the total cost of the upkeep of the London office? I remember last session we were rather at cross purposes and in stating the amount when I was discussing the budget I put it much below what it actually was. I understand that there are other departments of the government which contribute money to the London office, and I should like to know the total cost of the office.

Mr. MACKENZIE KING: The figure in the estimates, $117,260, covers the salaries and expenses of the office of the High Commissioner for all of the offices that are included in Canada House where the High Commissioner has his office. There is an additional expenditure of $34,000 made by the Department of Public Works for the maintenance of the building.

Mr. GUTHRIE: Do they not also rent another building?

Mr. MACKENZIE KING: Not the High Commissioner's office.

Mr. BENNETT: They rent a part of the Sun Life building.

Mr. MACKENZIE KING: I believe the Department of Health and Pensions has an office in the Sun Life building.

Mr. GUTHRIE: Then apart from the amount contributed by the public works department, do I understand there is no other expense to Canada in the maintenance of the High Commissioner's office in London? The $34,000 from public works and the $117,260 in this vote represent the total?

Mr. MACKENZIE KING: The $34,000 contributed by the public works department and the $117,260 for salaries and expenses, I understand, cover the entire cost. I might mention that the following departments of the Canadian government are represented in the Canada building together with the High Commissioner's office: immigration, trade and commerce, agriculture, customs, soldiers' civil re-establishment, Secretary of State. There are other offices not in the Canada building for archives and air.

Mr. GEARY: Are these departments charged with rental outside this amount?

Mr. MACKENZIE KING: I am advised not.

Mr. GEARY: No charge is made to them at all?

Mr. MACKENZIE KING: Not for those housed in the High Commissioner's office.

Mr. GUTHRIE: I understand part of this building is occupied as living quarters by some of the officials, and that in consequence you have to go out and rent other quarters. Is that correct?

Mr. MACKENZIE KING: I believe for a time the secretary occupied part of the space on the top floor, but I understand he has not occupied it for some time past. Since Mr. Larkin's death my impression is that word came from the secretary that it might better suit his convenience and the convenience of the office if he returned temporarily to the particular quarters which he had formerly occupied, and he may be there at the moment; but if he is, it is purely temporary occupation.

Mr. CHURCH: Mr. Chairman, while I do not wish to criticize this particular vote, in my opinion the country is not getting the full advantage it should get from having this office in the old country. All the men who have filled the position of High Commissioner have done so with a great deal of credit and cost to themselves and no doubt they did the best they could for Canada; but I think if the country is to get the full benefit of this vote there should be some reorganization and expansion of the functions of the office. A large number of the duties of this office at present are of a social nature at the expense of the economic, and these duties have been increasing in the past year. When I compare the work that is being done by Australia House in the interests of the commonwealth with that done by Canada House for this Dominion, I find that Australia House is doing all the window dressing in trade and migration and is taking a prominent part in helping to solve the problems of the empire. In order to bring the products of Australia before the people of the old country and the advantages it offers to immigrants, Australia House has opened sub-agencies throughout the motherland while ours is in London alone. I am told that at the trade exhibition held in England last year Canada was not very well represented, and that Australia, New Zealand and the other dominions got a great deal more advertising. The old country papers that I read reported that Australia was doing all the window dressing as regards immigration, and opening new avenues of trade, and so on. I think Canada House might be doing educational work with respect to marketing Canadian goods and products along economic lines. Since the 26th of January we have had representatives in London at a peace parley. You would almost think it was a six-power instead of a five-power parley. We are gradually interfering in the affairs of Europe generally. It will be noticed that the total vote for the Department of External Affairs now is over $610,000. With this present government it seems to be all external and nothing internal—we are posing as a nation when we are not a nation at all. I regret the death of the late High Commissioner. I am afraid he was not appreciated as a public servant should be. He was a man of high ideals and imbued with a strong sense of public duty. He did a great deal of good work for Canada both at home and in Great Britain. I am not criticizing the work done by him. I believe a lot of good work was done by him to advertise Canada and bring British capital here, but I believe a great deal more could be done in this connection by expanding the functions of the office. What is Canada House doing to-day? What is the function of the High Commissioner's office at the present time Doctor Skelton in his report to the Minister says that the duties of the office are growing, and they are taking on work that they did not do before. I do not know that it is the duty of the High Commissioner to visit every province in Canada and tell what he is doing in London. I think he should devote the whole of his attention to promoting the interests of Canada in the old land. This Australian House has been doing a great deal of missionary work which Canada House does not do. It is doing a great deal towards advertising Australia and towards promoting trade between Australia and Great Britain. It has taken up the new problems which have arisen out of unemployment, and is checking immigration with the old land. On the other hand the immigrants who arrive in Toronto are left stranded. We have the case of a man with his wife and family in distressed circumstances; their particular case finds its way to the newspapers, and when we inquire who was responsible for bringing them here the Immigration department denies all responsibility. The governmental agencies should be coordinated and should cooperate with each other. If Canada House is to exist it should assume new functions, and should check its work not only throughout the continent, but in Great Britain. In my opinion there are many other matters which might be taken up by Canada House. If the duties

of that agency were less of a social character and directed more towards problems of economy, we would receive greater value from Canada House than we have received in the past.

Mr. BENNETT: I want to ask the Prime Minister (Mr. MacKenzie King) a question. An inquiry reached me the other day as to whether or not the official salary of the High Commissioner for Canada is subject to income tax in Great Britain. I was unable to give a definite answer.

Mr. MACKENZIE KING: My understanding is that all High Commissioners have recently been exempted from the payment of income tax.

Mr. BENNETT: Do they pay a tax at home?

Mr. MACKENZIE KING: I am afraid I cannot answer that.

Mr. BENNETT: I do not know, either, but I was asked that question.

Sir GEORGE PERLEY: May I be allowed to say that when I was High Commissioner I always paid an income tax in Canada on my salary but not on the contingencies. I may say that the income tax commissioners in Great Britain thought that the High Commissioner should pay a tax in that country, but I objected to it. I brought the matter before the Chancellor of the Exchequer. Although the officials considered that under the law the High Commissioner was liable in Great Britain for income tax on his salary, I considered that such payment was not fair; I took the ground that it would be the Canadian government who would have to pay the tax, in case payment was insisted upon. I said that, as the High Commissioner paid income tax in Canada, he would naturally consider that the Dominion should pay any income tax in Great Britain, and that such a payment would be inconsistent with the position of the Dominion of Canada. The Chancellor of the Exchequer agreed with me, and the Treasury thereupon arranged to pay to the income tax commissioners the amount for which they considered the High Commissioner might be legally liable in Great Britain.

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. KAISER: Mr. Chairman, before this item carries I would like to make a few observations. We realize that it is a new thing for Canada to have entered this field and to have formed embassies and legations in other countries. Nevertheless we have the right to inquire into results and costs which arise in this country through the maintenance of these institutions. I would like to point out that Canada, with a population of 10,000,000 people, is maintaining a legation at Washington at a cost of $100,000 per year. In some respects we are not a great country; in other respects we are. As compared for instance with the United States of America we are not a wealthy country. The United States is maintaining legations and embassies in other countries, and the thing that strikes me as being rather strange is that this country is spending $100,000 at Washington, yet Washington, representing the great wealth of the United States, exercises a certain degree of economy when she sends her delegates and ministers plenipotentiary to other countries. I have learned that the United States has appropriated $24,000 for this service in Canada, as compared with our $100,000 for a similar purpose at Washington. Our neighbour maintains institutions of a similar character in various capitals and at different costs. In Paris her institution costs $97,000 per year; in London it costs $82,750; in Berlin, $70,000; in Tokyo, $65,000; in Rome, $45,000, and in Madrid, $52,500. These are the figures of the great American union which has stepped out into the world in the same way as we have done, and at these various capitals her expenditures, as compared with those of this country, are very much limited. I asked the authorities in Great Britain to tell me the costs of her legations, but I was not able to get them in particular. I find, however, in a general way that the largest amount she pays for a minister plenipotentiary is £2,500; it runs from that figure down to £2,000. I have not been able to find where other countries which have had representatives abroad for many years have spent sums as large as we have spent for the maintenance of legations. Why we are called upon to set aside an appropriation of this size I am not in a position to say. I am disturbed also by the fact that never in my memory have we had so many troubles with the United States as we have had during the term of this costly legation. There have been labour troubles, tariff troubles, liquor troubles, and other troubles more than we have ever had before in the same space of time. I do not say that they are caused because we have a legation, but the fact is that they do exist.

At this moment we are faced with what I consider to be one of the greatest obstacles to

business we ever had to face; I refer to the new tariff proposals of the United States. Fifty-nine other countries of the world have complained about this tariff, but I have failed to read where Canada's minister plenipotentiary has taken a similar action on behalf of this country. We are told that the minister made representations and that he concerned himself with the matter, but so far as I can see nothing has been done. I realize that this tariff which now confronts this country will perhaps bring up the whole question of our attitude and our business relationship with the United States, and I want to say that I do not think anyone in that country should complain if Canada looks after her own interests any more than we complain when the United States does the same thing. My point is that our discussion should be purely along business lines, and surely we have a right to complain of the business activities of the United States when those activities affect our trade, as they promise to do. Our personal feelings toward that country should be kept entirely apart from business, and I know of no one who entertains anything but a feeling of reasonably good will towards the people of that great country.

That brings to my mind a little item which I read in the Globe of December 5, 1929. This is the report of a speech delivered by the Prime Minister of Canada at London, Ontario, which speech I also heard over the radio as it was being delivered. Many of the matters dealt with by the Prime Minister on that occasion were handled with exquisite skill; many of his sentiments quite appealed to me, but nevertheless the Prime Minister gave utterance to an expression which so shocked me that I left the radio and wrote it down in order to confirm it the following day. Now I want to read this to the Prime Minister and ask him how it sounds when spoken by someone else:

> In vigorous terms, he condemned those who, in the interests of protection in Canada, would make enmity between Canadians and Americans. "If protection requires, in order to further its position, the working of ill will against another nation; if it necessitates arousing a prejudice in any other nation, then I think there must be something inherently wrong with the protection. I believe those who really need protection in this country can defend it on economic grounds."

No one can doubt for a moment to what political party the Prime Minister referred when he uttered those words; unquestionably he meant the Conservative party in Canada. Then follows the sentence which I desire to read to the Prime Minister, because he was speaking of the old Conservative families of the province of Ontario:

> I cannot think of anything more unpatriotic than that men or women, day in, day out, in their homes, with little children about, or elsewhere, should, by word of mouth, do what they can to foster in the minds of these little children an enmity towards a nation that is going to be their neighbour when they grow into manhood.

In my practice as a physician I have spent in any one year more days and nights in Conservative homes than the Prime Minister has spent during his life time, and I want to tell him that in all my experience I never heard such expressions uttered in any of those homes. That statement does not express our attitude towards the people of the United States. Many of our ancestors came from that country, and many of our relatives are there to-day. Not long ago I traced the descendants of my great grandfather; they numbered some five hundred, of whom about 150 are now in the United States, many of them holding good positions. Can the Prime Minister imagine that we in Canada kick the cradles of our children and teach them lessons of ill will and enmity towards our own brothers and sisters and friends in the United States? We have no other desire than to live beside these people on terms of good will; I protest against this statement and brand it as being absolutely untrue.

Now I should like to ask the Prime Minister whether or not he knows that 500,000 Americans—Shriners—are coming to Canada in June of this year on a pilgrimage of good will, and that they are to be met by 300,000 Canadians. They had the whole of Canada from which to select a place of meeting; they could have gone anywhere from Prince Albert to Nova Scotia, but they are coming to the Tory province of Ontario and the Tory city of Toronto, where they will be met and welcomed on behalf of Canada by Hon. George S. Henry, a Tory cabinet minister of the Tory government of Ontario. They are going to erect a shrine, a monument of good will, which is to cost $600,000. That is going to be erected in Toronto, in the constituency of Parkdale, represented by Mr. David Spence, the most pronounced Tory constituency in all Canada. So according to the Prime Minister this monument of good will between these two people will be erected in the midst of the very people who "kick" their cradles every night and chant to their children a hymn of ill will towards the United States. On behalf of hundreds and thousands of Conservative people in Ontario, I desire to protest against that statement which so grossly misrepresented the true situation. Simply because, when confronted with tremendous business difficulties which must be faced if we de-

sire to remain a nation, we fix our policy to suit ourselves, we are to be told that we harbour the spirit of ill will towards these people. I have no desire to discuss the matter further, except to say that I think that statement of the Prime Minister was one of a very shocking nature. If he can show me where such a spirit exists in the old Tory homes of Ontario, then he will have shown me something which I have been unable to find in forty years of medical practice.

I think this vote should be analyzed. I am not so certain but that Mr. Massey is doing good work. I know that he gives splendid entertainments to the high class people who go to Washington from Canada; he is a magnificent entertainer, but this is being done at the expense of the common people of Canada and I am not so sure that we are obtaining full value for the money expended.

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, $80,000.

Mr. WOODSWORTH: Who decides the standard of expenditure in connection with these legations? I am informed by members of the Canadian community at Tokyo that although they are delighted in having a Canadian representative there they feel that this country must have lots of money judging by the amount which is flowing around at the present time. Could the Prime Minister give us the classification of this $80,000?

Mr. MACKENZIE KING: I might say to my hon. friend that in a world capital like Tokyo, where there are a large number of legations and embassies, a certain standard has prevailed for a considerable time as between the different countries. We have sought in a modest way to follow that standard. From the point of view of numbers we have perhaps the smallest legation in Tokyo. I do not think my hon. friend will find in any particular that the salary paid to any official is above that paid, for example, by the British government to an official holding a like position in the British embassy. As a matter of fact, the salaries paid are considerably lower than those paid by Great Britain for similar classes of service.

Mr. WOODSWORTH: Could the committee have the classifications under which the amount is paid?

Mr. MACKENZIE KING: This vote is made up as follows:

[Mr. Kaiser.]

Salaries	$28,000
Allowances	28,000
Telegraph, telephones and postage	2,600
Printing and stationery	2,000
Travelling	3,500
Rent, fuel and light	7,150

There is an additional amount to cover newspapers, office furnishings and sundries, which amount to a little over $8,000, making a total of $80,000. The premises rented include offices in the business part of the city and a residence for the minister in the residential section. The payment for residence is included in the allowances.

Mr. CHURCH: Mr. Chairman, I protest against this new embassy idea which the government has started in several countries of the world. Canada is the only country within the British Empire, except the Irish Free State, which is appointing these ambassadors. There are six dominions at the present time, and when India obtains her status there will be seven. I do not desire to mention Washington, but probably one speech will cover all places.

This vote is absolutely unnecessary. The Hon. Mr. Marler is the present ambassador and minister extraordinary. He is extraordinary enough because he was a member of the cabinet for about four or five minutes. The hon. member for St. Lawrence-St. George (Mr. Cahan) has referred to the fact that that gentleman was a director of a distillery in his constituency and ran against him for public office. He was defeated, but he is now a great ambassador over in Japan. In this connection the Toronto Globe says:

Hon. Herbert M. Marler, who goes as Canadian minister to Japan, will have to walk warily when doing business with the polished and efficient gentlemen who represent the eastern kingdom. It is not the easiest place in the world for a greenhorn to start "diplomating."

We were supposed to receive a new magna charta from the imperial conference. The Minister of Justice (Mr. Lapointe) ably represented us there as a Dominion statesman, and he has become imbued with this new international statesmanship. That seems to be spreading all over the house. They used to go in twos and threes; now they go in threes and fours, and by next year they will be going in tens and twelves to become imbued with this spirit at these conferences. Doctor Skelton, the deputy minister, writes a very flowery departmental report regarding these embassies. I do not know what he is doctor of, unless it be of external affairs. I do not know that he is a medical doctor, but I do know that he is

a very fine citizen, a Queen's university graduate, but has gone too far on status. This supposed magna charta which we were to receive from the imperial conference has undermined the unity of the British Empire. It was to be brought before this house when they arrived back with their carpet bags, but it was found that it might interfere with the rights of the minority in this country, and that was the last we heard of it—it was silently interred. In my opinion dominion status is hardly distinguishable from complete separation, in fact, that is what it is. At Washington we were the first overseas dominion to blaze the trail. It was a new venture, a new departure. Now we have an ambassador at Tokyo and another at Paris. Later on we shall have one at Rome, one at Constantinople and one by one we shall have ambassadors in all the countries bordering on the seven seas.

Where is this all going to land this country? It is going to land it in a policy of empire disunity. Canada was the first dominion to have an embassy at Washington and then the Irish Free State appointed one. Formerly we had a British Ambassador representing the seven dominions including India and he used to act for us all. Now in matters of imperial policy Canada has a legation at Washington. She has there now one whom, I hear, is shortly to go to London. The net result of his work at Washington has been that the United States have gone to work and are raising the tariff against Canada at every opportunity. That is how they are treating this country. When one reads Doctor Skelton's report of the wonderful things done at Washington by Mr. Massey one is reminded of the lines:

> And still they gazed, and still the wonder grew
> That one small head could carry all he knew.

But his work has amounted to nothing as far as the good of this country is concerned. He goes up and down the United States making speeches, and Mr. Marler did the same thing when he crossed Canada in a blaze of glory, addressing boards of trade, empire clubs and Canadian clubs. I do not belong to any of these clubs and I do not want to belong to them. These Canadian clubs are no more Canadian than Empire clubs are imperial, but when it is a question of standing up for the unity of the British empire in matters of policy, these clubs are found wanting.

The net result of Mr. Massey's life work in the United States is that their exports to Canada from the United States have increased by leaps and bounds. Their exports to Canada are almost $200,000,000 more than they were when Mr. Massey went to the United States two or three years ago, and congress is working night and day tinkering with the tariff against this country, and Mr. Massey has not prevented this economic war against Canada. All that he is doing is getting degrees from different universities from California to the Atlantic; in fact he is becoming very popular, like the Prime Minister, by degrees, but his work has been an absolute failure so far as the people of Canada are concerned.

Boiled down, what does all this mean? It means that we are just like the Irish Free State. Is the Irish Free State in the empire? I would say no. What have they done? They have changed their flag; they will not have the union jack and they have put up the old rebel flag. They have removed the king's head from the coinage and from the postage stamps. They have refused to acknowledge the jurisdiction of the privy council. They have refused to appoint king's counsel to the courts. In fact, they have refused to acknowledge the king at all and at Geneva they have refused to have anything to do with Great Britain and the other dominions on empire policies. When Great Britain asks for concerted action, that is the answer they get from the Irish Free State. The government have a separate ambassador at Washington and we are making our own treaties with the United States. They have one at Tokyo and we are making our own treaties with Japan, and other countries. In 1925 a committee was appointed in Canada of seven gentlemen to change the flag and to abolish appeals to the privy council. Under the new status the Governor General is a mere viceroy, and if he appealed to Downing street, he would be told to follow the advice of our cabinet which is the only body who can advise him. We have before the house to-day a resolution from Geneva about an international court, a court with no power to act and enforce, and that could do nothing to carry out its functions if it had any. What is going to be the result of all this? It will simply mean that Canada will be a separate country independent of the motherland. Formerly in Tokyo our trade commissioners were doing all the work that was necessary in that country.

The Pacific question is not one which should be taken up in the haphazard manner in which it is being handled by Mr. Marler representing this government. In the first place in regard to the Pacific question Canada rescinded the treaty with Japan, and has refused also to keep step with the other sister

dominions, New Zealand and Australia. The government has refused to aid England in the establishment of a naval base at Singapore for the protection of British interests in the Pacific, although New Zealand and Australia gave large sums of money for that particular base which in the future will be the Gibraltar of British naval interests in the Pacific. The government has scrapped all that and now they have appointed Mr. Marler as ambassador at Tokyo. What has he done? I have read some of the speeches which this gentleman has delivered in the city of Toronto and other places about his work and even as good a Liberal paper as the Globe criticizes him. The Globe says:

It is a new path that is being blazed. We are told it is made necessary by the new dominion status. Canada, however, is the first dominion to lay aside temerity and embark on the voyage of discovery and experiment by appointing ministers to the United States, France and Japan. She therefore will have to answer to the other dominions of the commonwealth if the undertaking is a failure from the empire standpoint. She has gone much further even than the Irish Free State.

Just how many competent commentators as the Prime Minister of Australia during the Great war view Canada's departure with fear, it is not easy to learn. It is not customary for public men in other parts of the empire to speak out as freely as he has done about a sister dominion, and therefore the thoughts he expressed a few weeks ago may be more representative than we realize. "If we examine the position closely," he wrote, with particular reference to Washington, "we shall find some disturbing facts. Nations are so inter-dependent to-day that what anyone does reacts more or less seriously upon all, and this is most particularly true of the nations within the British commonwealth, for between them the relations are, of course, much more intimate than are those existing between other nations. Every act and every word of the United States reacts upon the world at large. And naturally we desire that her policy shall proceed along lines compatible with the welfare, not merely of Canada, but of the empire as a whole. But the circumstances of the different dominions vary materially; a policy which serves the immediate interests of Canada—or that seemed to the Canadian people to do so—might prejudice the other dominions or Britain."

For example, what Mr. Marler may do in Japan may prejudice Australian or New Zealand trade and interests in the Pacific, and we are acting without our sister dominions and without any unison. In this way what unity has the empire on such an important matter as the Pacific question is to-day? The Globe continues:

What Canada and the Free State have done, all the dominions may do. Before long the influence of these two dominions may so prejudice the interests of other dominions that they will have to appoint representatives of their own. Then there would be six—with India, seven—British ambassadors at the court of Washington. Some may contend that the British ambassador would speak for all. But this is the very point at issue. Not only has Washington three British ambassadors where formerly there had been one, but these approach questions from widely different angles and on different principles. How can the British ambassador speak for Canada and the Irish Free State unless he and their representatives can agree upon the one policy? And if they can do so, the Canadian and the Irishman will surely have no justification for attending the court. Canada has appointed her own ambassador, it is said, because the British ambassador cannot conserve her interests. And this applies perhaps with no less force to the representative of the Irish Free State. Therefore they could not be unanimous, or only when Britain and the other dominions accepted Canada's and (or) the Irish Free State's policy. In other words, the empire can speak with one voice only if Britain and the other Dominions and India subordinate their interests to the interests of Canada and the Irish Free State. And this is what certainly will happen.

It will readily be understood that this diplomatic disunity will land the British Empire in all kinds of trouble. We have representatives in Europe to-day trying to pacify Europe while the Prime Minister has a five-cent policy to pacify the unemployed in this country. We have over at Geneva a small standing army of diplomats, sometimes headed by my friend the doctor, talking peace from the house tops, when there is no peace and where millions of men are being armed in Europe to-day.

The Hon. Mr. Marler made several political speeches on his way to Japan, and no doubt he approves the government's stand because the government shelters itself behind a Torres Vedras policy of legations for all foreign countries separate from the British ambassador.

This policy was never approved by the people of Canada, and I venture to say that it does not command the support of forty per cent of our people. It is simply dividing us from the British Empire in the matter of external affairs. The London Spectator suggests that the speeches of General Jan Smuts, former South African prime minister, regarding the Commonwealth of Nations, when he was in Canada recently, were warnings as prophetic as they were timely. The Spectator says:

It seems to us that the report has ignored the reminder which Lord Balfour was careful to give in 1926, that equality of status does not necessarily mean equality of function.

The conference (on removal of anomalies existing between Dominion and British legislation) seems to have asked itself in reference to each question: "Is this law consistent with absolute equality in every respect?" When they could not say yes, they proposed that the whole law should forthwith be rewritten. Such a method is to encourage a morbid nationalism,

of which General Smuts complained. If, in pursuit of pedantic nationalism, unity disappears, one of the greatest causes in the world is sacrificed. The commonwealth is now held together by only one real tie, the crown. To encourage, as the conference does, every Prime Minister of every dominion to tender his independent advice to the sovereign is to put an unbearable strain upon the monarchy.

Fortunately, the report is no more than a body of suggestions for the imperial conference, which when it comes to deal with them, will find itself on the broad road to establishment of a permanent imperial control and authority. We do not mean there will be any kind of full imperial conference always sitting at London, but there might well be a permanent secretariat. Advice to His Majesty must somehow be sorted out and unified before it is presented to him as the advice of his ministers.

One of the main things the kaiser of Germany depended on when he declared war was a disunited British empire. He was depending on civil war between the north and south of Ireland, and on unsettled conditions in Canada and throughout the rest of the empire, but when the war came he found the dominions and the empire united. There is a strong public opinion in Canada, as I see it, against this policy of the government of appointing ambassadors to the different capitals of the world. It has never been approved by this house, let alone by the people of Canada. It is a policy that does not in my opinion commend itself to the wisdom of the people of this country. We have a declaration on the order paper to-day of the permanent court of international justice. There are so many of these declarations being signed on our behalf by our respected government leader in the senate at Geneva, that it almost seems to me that we shall soon be signing a declaration of independence from the motherland; we shall be going just about as far as the people of the United States did in their celebrated declaration of independence.

Speaking at Vancouver on November 14, Canadian Pacific despatch to the Toronto Star, the Prime Minister is reported as follows:

> The establishment of Canadian legations in France, United States and Japan was a good thing for the British empire as well as Canada, Prime Minister Mackenzie King declared in addressing the Board of Trade dinner here to-night. Misunderstandings between a foreign country and any part of the empire must eventually affect all other parts.
>
> Placing Canada's and the empire's position in a true light before other peoples, would tend to prevent misunderstandings, it would demonstrate to the world a community of nations united under the one crown, a crown "broad based upon a people's will."
>
> Mr. King's speech was confined for the most part to Canada's diplomatic relations. The key position this country occupied in developing friendship and good-will among the nations of the world, was laid before the large audience.
>
> "I would like to say how sorry we are that Mr. William Phillips, the first minister of the United States at Ottawa, has for personal reasons felt it necessary to resign from the diplomatic service," Mr. King stated. Mr. Phillips had been a true friend of his country and a true friend of Canada. Both countries were the richer as the result of his service.

I shall not detain the committee further. Here is a vote for $80,000 for Toyko, an increase of $5,000 over last year. What kind of building we have there I do not know, but I venture to say that three or four years from now we shall be spending two or three million dollars for all these embassies the world over. What good are we getting from this representation? It is simply showing to the people of Japan that in so far as the British Empire is concerned we are not a united people. We have disunity in diplomacy, and disunity as regards the policy of the empire in the Pacific, with Australia, New Zealand and the other dominions taking different stands. The whole thing will lead to disorder and chaos. It can have no good results for this magnificent empire. The empire cannot last if this goes on much further. Are we going to have a minister to Turkey? Are we going to send a representative to Russia? Are we going to transfer Mr. Marler to Russia or Turkey? We have ambassadors now in London, Washington, Paris, Tokyo and Geneva costing us $610,000 a year. Wait till you see the vote next year. Mr. Marler is not going to be content to live in rented quarters. He will want a palace costing as they do in Japan, two or three or four million dollars before he gets through. There are rumours that he is to leave Tokyo and heading for Washington, and another of our magnificent diplomats is said to be heading for London from Washington. The taxpayers of this country have to pay for it all, and they have nothing to say about it, nor have their representatives. But I warn the Prime Minister that there will be a rude awakening some day. We are meddling with the affairs of every country in Europe. We are signing peace pacts and agreements over the heads of the British government. Where is it all going to end? It is going to land us eventually outside of the British Empire, land us in all kinds of trouble. Here we are spending $610,000, and we have not a nickel for our own unemployed. Charity should begin at home, even in diplomacy. For all the good the Washington office has done, it might as well be closed up. It has been nothing but a trouble-maker between the two countries. making trouble all the time. What

has it ever done about the St. Lawrence waterway or Chicago diversion, or the non-enforcement of the Rush-Bagot treaty, or the Jay treaty? My hon. friend from East Essex, speaking of unemployment the other day, told us that Canadians were being turned back at the American border, and only yesterday I noticed that the member for West Belfast told of Englishmen and Canadians being turned out of their jobs in the United States, and the British government has agreed to help and repatriate them and also repatriate Canadians. What is our legation doing about it? All our legation in Washington amounts to is very largely a social legation. That is all it ever was and ever will be. We have a lot of novices in diplomacy at Washington and Tokyo. They know nothing about diplomacy, and we are sending them where they come up against the experienced ambassadors of other countries.

Before the committee on industrial and international relations the other day, it was urged that chairs be established in universities to promote the cause of peace, at a cost of from $600,000 to $1,000,000 a year. The average student when he gets through university is too busy looking for a job to bother about world courts and ministers extraordinary to Tokyo and Constantinople and all these other places. Sixty per cent of the graduates of the faculty of applied science at Toronto university recently went to the United States or other foreign countries and of the class in medicine, forty-five per cent went to the United States. Where are you going to get the students to train? Mr. Massey and Mr. Marler can learn a lot about diplomacy, and they should have learnt something about it before they left the shores of Canada. I wish to protest against this vote. If there was one country in the world that we should have left alone, it was Japan. We should never have sent an ambassador there over the head of the British government because the Pacific question will be a very troublesome one in the future, and we want a united empire on Pacific policies. I was in the city of Vancouver in 1927, some time ago when special editions of the Saturday night papers came out with the startling headline "War with China." People out there were wondering what would become of our Pacific relations in view of the fact that Canada had not done its part in regard to naval matters. The Pacific is too troublesome a question for us to deal with. The last war bordered on the Atlantic; it may well be that the next war will be in all probability on the Pacific. I know some members across the chamber are beginning to wag their heads and doubt the wisdom of establishing these legations. Many prominent Liberals and also the newspapers have the same view, and the Toronto Globe backs up the position I take that this is a new departure which is bound to bring disunion instead of union to the British Empire.

Mr. WOODSWORTH: Mr. Chairman, there is just one thing the last speaker (Mr. Church) has said with which I agree, and that is, we do not really know very much about the policy of the government in the orient. It does seem to me, now that we are entering upon a new phase of our national development and are appointing ambassadors abroad, there ought to be some opportunity of discussing Canadian policy, at least of hearing what Canadian policy in the east really is. We have spent a week now in discussing one aspect of domestic policy, we have a great many opportunities for doing that; but it would not seem at the present time as if we had any opportunity of knowing just what our ambassador at Tokyo is supposed to advocate. I have not heard yet whether we have developed a policy for the east. I know it is unfortunate to have to ask the question on an estimate of this character, but I do not know any other place where we can ask such a question. It seems to me something that the house and the country ought to know.

Mr. BENNETT: Before the right hon. Prime Minister answers, there are some matters also which I think might well be discussed in connection with the Tokyo legation, and as it is six o'clock I would ask if we are going on with these estimates after eight o'clock?

Mr. MACKENZIE KING: Yes.

Mr. BENNETT: Then we can discuss them after recess.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 32, respecting The Interprovincial and James Bay Railway Company—Mr. Parent.

Bill No. 33, respecting The Algoma Central and Hudson Bay Railway Company—Mr. Bradette.

PINE HILL DIVINITY HALL

Mr. C. H. CAHAN (St. Lawrence-St. George), for Mr. Black (Halifax), moved the second reading of Bill No. 54, to incorporate Pine Hill Divinity Hall.

Some hon. MEMBERS: Explain.

Mr. SANDERSON: Mr. Speaker, I think we should have some explanation of this bill.

Mr. SPEAKER: Perhaps the bill had better stand, since the hon. member sponsoring it is not here.

Bill stands.

DIVORCE COURT FOR ONTARIO

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved that the house go into committee on Bill No. 20, to provide in the province of Ontario for the dissolution and annulment of marriage.

Motion agreed to on division and the house went into committee, Mr. Johnston in the chair.

Mr. CHURCH: Mr. Chairman, before we proceed any further I desire to move that the bill be now reported.

On section 1—Part of law of England on July 15, 1870, made law of Ontario.

Mr. MACKENZIE KING: I am prepared to support the first clause, but I do so on the understanding that at a later stage an amendment will be moved making this law applicable to the province of Ontario only upon request of the province through its legislature or by order of the lieutenant-governor in council.

Mr. BENNETT: Such action would be unconstitutional.

An hon. MEMBER: Only with the consent of the provinces.

Mr. SMITH (Stormont): Inasmuch as this proposed Bill No. 20 is to change the divorce law or to make a new law, I think that the wording should be changed. I move therefore, seconded by the hon. member for South Huron (Mr. McMillan):

That the bill be amended by striking out all the words after "be" in the twelfth line of section No. 1, and substituting therefor the words "in force in the province of Ontario."

This simply clarifies the bill.

Mr. CHURCH: I moved that the bill be reported, and on a point of order I would like the ruling of the chair. Before I rose you had read the title to the bill and marginal note.

Mr. CAHAN: We have been unable to hear the statement of the hon. member, or the terms of the amendment he is moving. I think we should have an explanation, so that we may know upon what question we are voting.

Mr. BENNETT: The hon. member for Toronto Northwest (Mr. Church) moved that the bill be reported.

Mr. LAPOINTE: We have not considered it yet.

Mr. BENNETT: The motion was made as soon as it was called.

The CHAIRMAN: Before the bill was properly before the committee my hon. friend rose and moved that the bill be reported. I read clause No. 1, after which the right hon. the Prime Minister (Mr. Mackenzie King) intervened. Standing order 76, subsection 774, states:

The bill is considered clause by clause. The chairman usually calls out the number of each clause and reads the marginal note, but he should give the clause at length when it is demanded by the committee.

That had not been done when the motion was made by my hon. friend. My ruling is therefore that the bill was not properly before the committee when the motion was made.

Mr. GARDINER: To which motion do you refer, the motion to report or the motion to amend?

The CHAIRMAN: The motion to report.

Mr. GARDINER: Is the amendment in order?

The CHAIRMAN: The amendment has been just handed in. It is as follows:

That the bill be amended by striking out all the words after "be" in the twelfth line of section No. 1, and substituting therefor the words, "in force in the province of Ontario."

Mr. BELL (Hamilton): I should like to direct attention to the fact that there is no twelfth line in section 1; there are only ten lines in the section.

Mr. SMITH (Stormont): That is a very small matter; I made a mistake. It is the twelfth line of that page.

Mr. CAHAN: It is the ninth line of the section.

Mr. WOODSWORTH: Mr Chairman, some of us are interested in this bill, but as yet we have not heard the amendment or the explanation for it.

The CHAIRMAN: The amendment is:

That the bill be amended by striking out all the words after "be" in the twelfth line of section No. 1, and substituting therefor the words, "in force in the province of Ontario."

Mr. CAHAN: It is quite obvious there is no twelfth line in section 1.

Mr. McMILLAN: The difficulty is that when you see the figure 10 it appears to relate to section 1, but does not, and that causes the confusion.

Mr. BROWN: We are interested in the effect of the amendment, rather than in the number of the particular line.

Mr. DUNNING: What does the amendment mean?

Mr SMITH (Stormont): At the present time the bill says:

. . . . shall be the law of the province as to dissolution of marriage and as to annulment of marriage.

I think those words are superfluous; they make it appear as though we are creating a new way of obtaining divorce in the province of Ontario, and by striking out those words and having the section read "shall be in force in the province of Ontario" the matter is clarified. It does not change the bill in any way

Mr. HANSON: Does the hon. gentleman propose to delete all the words after the word "be" in that section?

Mr. SMITH (Stormont): Yes. That is line 9 of section 1.

The CHAIRMAN: Instead of line twelve of section 1 the amendment should read line twelve of the bill.

Mr. HEAPS: I do not see the purpose of this amendment. The hon. member says that this act shall apply to the province of Ontario only, but the preamble of the bill itself states that it applies only to Ontario, and I think that should cover the point. The amendment would appear to be entirely superfluous.

Mr. BENNETT: The amendment at least is in accordance with the principles that governed in the western provinces. The privy council held that the act of 1870 applied as of the 15th day of July, 1870, and this amendment declares that that statute of England shall be in force in the province of Ontario, instead of saying that the law shall be so and so. I think that does clarify the situation.

Mr. LAPOINTE: I think the amendment is an improvement as far as the drafting of the bill is concerned, but I should like to know why July 15, 1870, is taken. I quite understand that with regard to the western provinces this date should apply as far as the laws of England are concerned, but why apply that to Ontario?

Mr. BENNETT: The reason is that then there would be uniformity with respect to jurisdiction.

Mr. LAPOINTE: But apart from making it uniform with the western provinces there is no special reason for saying that the laws of England of 1870 shall be in force.

Mr. BENNETT: No, because the divorce act of England was passed in 1857. Lord Westbury, then Sir Richard Bethell, worked it through the House of Commons, against the protests of Mr. Gladstone, as perhaps the minister will recall in view of the fact that Mr. Gladstone took much the same view as he has taken. July 15, 1870, is merely an arbitrary date fixed by the statute that brought the western provinces into confederation, and in order that it may not be said that we are giving more extended powers to the Ontario court than those conferred on other divorce courts by this parliament. In British Columbia the same statute is in force, but not as of the same date.

Mr. BROWN: Then the legislation of 1925 would apply to Ontario as well as to the western provinces?

Mr. BENNETT: The effect will be to have the statute, as it now applies to the western provinces, apply to Ontario.

Mr. CANNON: The section also says:

. . . . and in so far as it has not been repealed, as to the province, by any act of the parliament of the United Kingdom. . . .

How could an act of the United Kingdom repeal the laws of England so far as Ontario is concerned?

Mr. BENNETT: I think the meaning, as the Solicitor General will see, is that since in England there has been an amendment to the act of 1857, as the hon. gentleman will perhaps recall, this is to make certain that the amending act in England has no force in Ontario, but that the statute of 1857, which is in force in the western provinces, shall be the statute in force in Ontario, without any extension of the powers conferred by later legislation.

Mr. CANNON: Will it be the law as it was in 1870, or the law as it has been amended since?

Mr. BENNETT: It will be the law as it was in 1870.

Amendment agreed to on division.

Mr. ARTHURS: Before this section carries I should like to point out what I have pointed out before, that any argument in favour of this bill would apply equally to other parts of the Dominion. Apparently there are three strong arguments in favour of this bill; the first is that the Senate is incompetent or has not the necessary facilities for granting divorce; the second is the question of jurisdiction, and the third is the question of cost. All these arguments would apply equally to other parts of Canada, and if we are to legislate in this matter for the province of Ontario I contend that the act should be made to apply to all those parts of Canada where the law of 1870 does not apply at the present time.

Mr. LAPOINTE: Meaning Quebec?

Mr. ARTHURS: Yes, meaning Quebec or Prince Edward Island.

Mr. LAPOINTE: There is this difference: all the members from Quebec are opposed to this bill.

Mr. McGIBBON: And a portion of the members from Ontario also are opposed to it.

Section as amended agreed to.

Section 2 agreed to on division.

On section 3—Short title.

Mr. SMITH (Stormont): Mr. Chairman, I desire to move, seconded by Mr. McMillan:

That the bill be amended by inserting the following therein as section 3 of the bill and renumbering section 3 as section 4:

3. Upon receipt by Secretary of State of Canada of a duly certified copy of an order in council passed by the lieutenant governor in council of the province of Ontario—

Mr. ERNST: That is a political fol-de-rol.

Mr. SMITH (Stormont): I will read it again:

That the bill be amended by inserting the following therein as section 3 of the bill, and renumbering section 3 as section 4:

3. Upon receipt by Secretary of State of Canada of a duly certified copy of an order in council passed by the lieutenant governor in council of the province of Ontario requesting that this act be brought into force in that province, the governor in council may, by proclamation, declare that this act shall come into force on a day to be named in the said proclamation, not less than three months after the date of the receipt of such request by the Secretary of State.

Mr. CAHAN: We should understand the meaning of this amendment, as it places within the discretion of this government the decision whether or not this measure shall be brought into effect. The province of Ontario could consent to the mode or the manner provided by this amendment, and then the governor in council of Canada would have the option of deciding at his own discretion whether or not by proclamation the bill should be brought into force and effect. If I understand this amendment correctly, unless the governor in council brings this bill into force and effect within a certain time it remains null and void for all time.

Mr. SMITH (Stormont): Mr. Chairman—

Mr. RYCKMAN: I absolutely—

Some hon. MEMBERS: Order.

Mr. SMITH (Stormont): I have not yet explained the amendment. The main objection of the Ontario members who oppose this bill is that a divorce court is being forced upon Ontario. The result of this amendment would be that such a court would not be forced upon Ontario unless they asked for it, and until they passed legislation which would enable them to do so. There is nothing new about this amendment, because I drew it up in 1928 when I first agreed to sponsor a divorce bill. In the few remarks I made a week or two ago I mentioned that these amendments would be offered when the bill came up for second reading. It is not, as an hon. gentleman has said, political propaganda; it is simply a desire to satisfy those Ontario members who have opposed the measure.

Mr. CHAPLIN: Why do you not try to satisfy those in favour of it?

Mr. RYCKMAN: I am absolutely opposed to this amendment. In the first place, I do not believe that the parliament of Canada has any jurisdiction to give effect to such an amendment. The Prime Minister (Mr. Mackenzie King) has sat silent and listened to this proposal made by one of his supporters, a proposal which suggests that legislation passed by this house shall be subject to a decision of the provincial legislature in Toronto—

Mr. BENNETT: And he would not give a nickel to that province.

Mr. RYCKMAN: —a Tory government to whom, it has been suggested, the Prime Minister would not give a thing. He would not recognize the government of the province of Ontario when it comes to a nickel, yet when it comes to deciding—

Some hon. MEMBERS: Order.

Mr. RYCKMAN: —this very important question of divorce—

Mr. CHAPLIN: The hon. members do not like that.

Mr. RYCKMAN: —the Prime Minister has not one word to say.

An hon. MEMBER: It is simply passing the buck.

Mr. RYCKMAN: There is no question but that the proposal of the hon. member for Stormont (Mr. Smith) is unconstitutional. There are hon. members in this house who have a realization of the duty which they have to perform, and they are not willing to take dictation in regard to this matter from any province, even the province of Ontario where good government prevails. I for one am not prepared to surrender the right of deciding by my vote in this house what shall be done in regard to this question of divorce. Let me emphasize that I am as much opposed as any hon. member in this house to the easier granting of divorces, but I realize that this question has been treated by the house almost with ridicule. We have seen the travesty of the granting of divorces by this house. This is not a question of the merits of divorce—I address my remarks to the Minister of Justice (Mr. Lapointe)—it is not a question of whether it is right or wrong, but rather a question of the method, of the plan, and of what shall be done with these cases. Even those hon. members who are opposed to divorce must realize that the present method of granting these decrees is nothing less than a joke, if I may be pardoned for using that word. We ask that this question be considered under the same terms as is a question of right or wrong, or a question of justice as between man and man—before the courts. I object to an amendment being introduced which is absolutely contrary to the rules of this parliament. The amendment means that those of us who come from the province of Ontario are being asked to surrender our right to pronounce upon this matter. Others from Ontario may be willing to surrender that right, but we will not consent to our privileges as members of this parliament being usurped by an amendment framed to meet the approval of the Prime Minister.

Mr. BROWN: Mr. Chairman, I feel it to be my duty to oppose this amendment. If there is one thing which has been made clear by the discussion upon this question, it is the fact that divorce has been committed to this parliament. In passing this bill through its second reading we have decided the principle that divorces should be handled by the courts of Ontario.

Mr. BENNETT: As delegated by this parliament.

Mr. BROWN: As delegated by this parliament. I agree absolutely with the reported statement of the premier of Ontario as it came to us in that circular from the Anglican council, that it is not his business at the present time to interfere in this matter. As has been made abundantly clear, the duty has been delegated to us. It has been said in some quarters that we are forcing this upon Ontario against the wishes of the people of that province. Even supposing that were true, we are still doing it in the exercise of our proper functions as members of the parliament of Canada. I do not think there can be any doubt upon that point. But are we forcing it upon Ontario in opposition to the majority of the members from that province? It would be very interesting to look at the vote as it was recorded the other night. We voted on an amendment. That amendment was defeated by a majority of thirteen. Then we voted on the second reading of the bill and that motion was carried by a majority of thirteen. If you look over the vote, and if I have not made a mistake, the number of members from Ontario who voted in favour of that bill was just thirteen more than the number who voted against it, so that practically speaking we can count out all the other members who voted and say that the majority of the members from Ontario have decided in favour of the bill. I feel very strongly on this matter and I shall conceive it my duty to vote against the amendment.

Mr. LAPOINTE: This bill proposes to vest in the provincial courts of Ontario certain jurisdiction with respect to the adjudication of matters which are at present in the jurisdiction of the federal parliament. Parliament has the right to do this; it has the right to impose on provincial courts duties in federal matters. There was a time when the right of the federal parliament to do this was discussed and challenged, and the matter was submitted to the courts; but since the decision of the privy council in the case of Valin vs. Langlois with regard to controverted elections in Montmorency, it is generally accepted that parliament has the right to take such action. Such is not the case, for instance, in the United States, where congress has no right to impose burdens or duties on state courts, but in Canada I claim that we have that right. In doing so, however, I think to some extent we

are interfering, though we have the right to do so, with the administration of justice in the provinces, especially in a case like this when it has been represented to us in the house that we are forcing a divorce court upon a province the majority of the people of which are opposed to such a step being taken.

Some hon. MEMBERS: No.

Mr. LAPOINTE: I say that it has been represented to us.

Mr. BENNETT: The only way to know is by what this house says.

Mr. LAPOINTE: I am not sure about that. I have heard the hon. member for South Huron on this side and the hon. member for North Huron on the other side say that they cannot find in their constituencies anybody who is in favour of such a court. Surely the expression of views of these two members is entitled to consideration.

Mr. BENNETT: They can vote against the bill.

Mr. LAPOINTE: Is it not a good move on the part of the hon. member for Stormont to provide that before this legislation comes into force, the province of Ontario should in some way express its views with regard to the matter?

Mr. BENNETT: It has done so through its members here.

Mr. LAPOINTE: I remember my hon. friend was not so keen in saying that the province had pronounced on the question when on the first vote the majority of the Ontario members voted against the bill. I did not hear my hon. friend say that the province had expressed its views at that time. This is a matter regarding a moral issue, something which goes deep into the hearts and souls of the people. It is a big social, moral and religious issue in the opinion of many people in that province. Why not, before this legislation comes into force, have the province of Ontario express its views through its leading representatives provincially, because we are enacting a law not for the whole of Canada but for Ontario alone.

An hon. MEMBER: What about Quebec.

Mr. LAPOINTE: An hon. member spoke about Quebec a few minutes ago. We do not want this to be forced upon Quebec any more than we want it to be forced on Ontario. It is because I would not want a similar law to be forced upon an unwilling province such as Quebec which will never agree to this law, that I do not want it to be forced upon Ontario in the same way. What is the harm in this amendment? As I said, this is a moral issue, and after all there are precedents along the same lines in the statutes of Canada. There is the Canada Temperance Act, for instance. The probihition of importation of liquor is a federal matter entirely, but we have placed in the statute books a law stating that we will prohibit imports of liquor into any province only after that province, by order in council furnished to the Secretary of State of Canada, has expressed a willingness that we should do so. The Juvenile Delinquents Act is another statute which deals with a social policy, and there again the act comes into force in any province only after an order in council has been passed by the provincial authorities asking us to put it into force. In the Lord's Day Act, another measure dealing with a moral and social question, parliament has enacted a law, but it has taken good care to say that no prosecution shall be instituted except with the approval and consent of the attorney general of the province in which the prosecution is to be taken. There are many precedents for the amendment moved by the hon. member for Stormont. I do not like the amendment; I do not like the bill; I am opposed to the principle of the bill, but I say at least we should accept the amendment and not force this measure upon an unwilling province.

Mr. GUTHRIE: I am opposed to the bill, and I am also opposed to the amendment. The question of marriage and divorce is under the jurisdiction of parliament; we shall have to assume the responsibility in the matter and I am not going to try to evade that responsibility. I will not agree to subordinating the jurisdiction of parliament to that of any of our provincial legislatures. I am satisfied that I am right when I say that every matter within the jurisdiction of this parliament can properly be determined by the members here, and that they for all federal purposes represent in this house every province in the Dominion. We have the responsibility. It looks as if this bill would carry. Well, then, let us stand up and vote according to what we think right in the matter. Do not get out from under; stand up and vote according to your conscience. Do not pass the responsibility on to a body that has no responsibility to us in the matter at all. This parliament has the jurisdiction. Now let it act. I am heartily against the bill and heartily against the amendment.

Mr. MALONEY: I feel with the Minister of Justice and my hon. friend from South

Wellington that this bill is within the competence of the federal parliament. Where was the mover of this amendment, my hon. friend from Stormont, last year? What was the gist of his motion last year? And in connection with the withdrawal of that motion at that time, what was the statement of the Prime Minister? That he at this session would introduce a measure which would take this question out of politics. Where is the Prime Minister to-day? He was absent when two or three votes on this question were being taken; whether intentionally or not, I would not be harsh enough to say, but nevertheless when the final bell rang he gave a vote for the bill on the condition that an amendment would be made to it that it should not come into force until the government of the province of Ontario had requested it. Why should he pass the buck to the province of Ontario? If he is in favour of this bill, why not be manly and bold enough to come out and say so openly? The province of Ontario does not desire this measure. It is being forced on the province of Ontario by those who are not residents of Ontario, by members of this house from outside Ontario—

Mr. ROSS (Moose Jaw): And members for Ontario.

Mr. MALONEY: They are endeavouring to force this bill on the province. The bill was killed once, but they have brought it back again, and to-night we are dealing with the remains. For my part I refuse to vote either for the bill or for the amendment proposed by my hon. friend from Stormont, because I believe the amendment is simply passing the buck. It is insincere, and is moved purely for political purposes.

Mr. COTNAM: I am utterly opposed to the principle of divorce. I am opposed to the bill, and I am opposed to the amendment of the hon. member for Stormont. The Prime Minister of this country last year when this legislation was before the house gave a solemn pledge and promise to the members of this house and to the country that at this session of parliament he would introduce legislation to deal with this matter.

Some hon. MEMBERS: No, no.

Mr. COTNAM: Instead of that, for some reason best known to himself, he has seen fit only to vote a couple of times on this bill, although he gave a solemn promise that he would deal with the matter this year in the house. He gave that promise to the hon. member for Winnipeg North Centre, but to this day he has not seen fit to come forward and tell the house just exactly what he intends to do or what he wants to do on this question. I believe that the present amendment is simply an effort on the part of the government to sidestep its duties and responsibilities with regard to this whole question of divorce. It is the same old trick of trying to sidestep the issue and shelve off the responsibility on some other person, instead of facing the issue fairly and squarely here. The province of Ontario has never asked for divorce courts that I am aware of. There is not a citizen in the constituency I have the honour to represent who has ever asked that Ontario shall have a divorce court, and as long as I am in this house I am prepared to support the views of the constituency that I have the honour to represent, whether my constituents be Liberal or Conservative. I do not happen to be in the position of the Prime Minister, who does not care a five-cent piece if they happen to be Conservative. It is my intention to face this issue squarely and to vote for both Liberals and Conservatives in my constituency, who I believe are opposed to the principle of the bill itself and to this shelving proposition of the hon. member for Stormont.

Mr. McGIBBON: I do not think I need reiterate my views on this question; for ten years I have voted and spoken in the same way with regard to it. I agree with the hon. member for North Renfrew when he says that this measure is being forced upon the province of Ontario by people who are living outside the province. There are not enough votes in this house from the province of Ontario to carry the measure. I protest against its being forced on the province by people living outside, and I will continue to protest against such a course. I do think that there ought to be a spirit of sportsmanship in this house and that when a minority is defeated it ought to give in to the majority. For ten years, I say, I have opposed such a measure as this. For the first time we are beaten. The bill has been given its second reading by a majority of the house, even if members from the province of Ontario have also voted for it. I feel that the amendment of the hon. member for Stormont is nothing but a piece of subterfuge whereby hon. members can get under the table and shirk their responsibility, play more or less the parts of cowards, and not come out and register their votes as they ought to register them either for or against this measure. What is to be gained by this? We have heard from the premier of Ontario that he will not ask for a divorce court; then I ask those who are

attempting to force the measure upon the province, what is there to be gained by carrying an amendment which means nothing? In my parliamentary career, Mr. Chairman, I have never yet reached that stage where I would be a party to killing my own bill.

An hon. MEMBER: Carried.

Mr. McGIBBON: Who said carried?

The CHAIRMAN: Order.

Some hon. MEMBERS: Question.

An hon. MEMBER: Go ahead, doctor.

The CHAIRMAN: Order.

Mr. McGIBBON: I think, Mr. Chairman, we have reached the stage where we ought to consider the position of the Prime Minister. The Prime Minister is the leader of the government. A year ago he gave his promise to the house that he would offer a solution of this question. Now I ask him and I ask the house: Have we not, as members, a right to know what his solution is? I admit it is a troublesome question to some of us who do not believe in divorce. It is probably a still more troublesome question to members of the government who draw their support solidly from one province which is so absolutely opposed to divorce. After all, governments are made to govern, and I submit that this government should have the courage of its convictions, that the Prime Minister should redeem his promise and give us a solution of this question. So far as I am concerned, sir, my stand is well known. I will vote against the amendment, I will vote against the bill, and I will vote against everything in connection with it.

Mr. McMILLAN: Mr. Chairman,—

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: Question.

The CHAIRMAN: Order.

Some hon. MEMBERS: Question, question.

The CHAIRMAN: Order.

Mr. McMILLAN: Until there is order in the chamber I shall certainly stand. I submit at the outset, in view of the fact that a number of my warm personal friends have endeavoured to interrupt to such an extent that I would not be allowed to express myself, that I am within the judgment of the house when I assert that I have never wasted very much time here.

Some hon. MEMBERS: Oh, oh.

Some hon. MEMBERS: Hear, hear.

Mr. McMILLAN: For that reason, if for no other, I do not see why hon. members should not be able to sit in silence and listen to me as I have always been in the habit of listening to them. I claim that right for every member and I do hope it will be accorded me.

An hon. MEMBER: Time wasted.

An hon. MEMBER: Talk on the bill.

Some hon. MEMBERS: Question.

Mr. IRVINE: Mr. Chairman,—

Some hon. MEMBERS: Sit down.

The CHAIRMAN: Order.

Mr. IRVINE: I rise to a point of order, Mr. Chairman. The hon. gentleman is not addressing himself to the amendment before the house.

Mr. McMILLAN: Mr. Chairman—

Mr. IRVINE: Ruling?

Mr. McMILLAN: Mr. Chairman, it is your duty to decide the point of order.

The CHAIRMAN: On the point of order, the member for South Huron (Mr. McMillan) who has the floor, was asking the member for Wetaskiwin (Mr. Irvine) to assist him in keeping order in the chamber.

Mr. IRVINE: I rise to a point of order. If you are going to rule on the point of order, Mr. Chairman, do so. I object to your comment.

Some hon. MEMBERS: Order. Sit down.

Mr. McMILLAN: From the discussion so far as it has proceeded I do think that the members of this house have not really grasped the point of the amendment.

Some hon. MEMBERS: Oh, oh.

The CHAIRMAN: Order.

Mr. McMILLAN: I do not need to tell the house that I have always been opposed to the principle of the bill, and I want to say further that I have had more commendation from my constituents in South Huron—

An hon. MEMBER: They are only fooling you.

Mr. McMILLAN: —over the stand I have taken on the matter of divorce than on any other matter which I have discussed from the floor of this house.

Some hon. MEMBERS: Oh, oh.

Some hon. MEMBERS: Hear, hear.

Mr. McMILLAN: My constituents are in earnest in this matter, and they know I would

not take the stand I have taken on this question if I was not conscientious in the matter.

Now, sir, as I say, I do not think hon. members have grasped the real meaning of this amendment. Let me read it.

Some hon. MEMBERS: Dispense.

Mr. McMILLAN: Let me read it:

That the bill be amended by inserting the following therein as section 3 of the bill, and renumbering section 3 as section 4:

An hon. MEMBER: Applesauce.

The CHAIRMAN: Order.

Mr. McMILLAN: Now, Mr. Chairman, it is not to be expected that I can proceed, because it is impossible for me to make myself heard, in view of the noise in the chamber.

Progress reported.

Mr. SPEAKER: The hour for private and public bills being exhausted, the house will now revert to committee of supply.

SUPPLY

EXTERNAL AFFAIRS

The house in committee of supply, Mr. Johnston in the chair.

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, $80,000.

The CHAIRMAN: We shall continue with the consideration of item No. 242, as it appears at page 63 of the estimates.

Mr. BENNETT: When the committee rose at six o'clock I was asking the Prime Minister (Mr. Mackenzie King) to give us an idea as to what the minister at Tokyo is doing, and of what his establishment consists. We would like to know the personnel and the salaries that are paid. I also directed the Prime Minister's attention to the fact mentioned by my hon. friend from Winnipeg North Centre (Mr. Woodsworth) that the situation in the Pacific is one of great seriousness, and it might be well to have a statement from the Prime Minister as to the policy of the Dominion government in the orient and the Pacific. It has been customary for ministers of foreign affairs to indicate their policies of administration in connection with matters of this kind.

Mr. MACKENZIE KING: As my hon. friend is aware, the legation at Tokyo has been established for only a few months. Naturally at the beginning we desire to move cautiously, and not be precipitate in any course taken. The purpose of establishing a legation at Tokyo is similar to the purpose of establishing legations at Washington and Paris, namely that of having in Japan a representative of the government of Canada who can be of assistance in seeking to further those objects which will help to maintain friendly relations between that country and our own. The legation will be on the lookout through the minister and his staff for all possible causes of friction, or differences that may arise at any time; and the minister will keep our government informed of the courses of action best calculated to avoid friction or difficulty arising; he will do whatever may be possible to maintain friendly relations. Broadly, from a political standpoint, these are the objects of the legation at Tokyo as elsewhere.

In connection with any country's relations with other countries, at certain stages of a nation's development, the most important of all questions is undoubtedly the promotion of trade. The promotion of trade in foreign countries particularly depends in a very considerable measure upon the political relationship existing between one country and another. One of the main objects in having a minister in Tokyo was to insure the relations between this country and Japan being such that there would be every likelihood of continuous increased trade with the countries in the far east. There has been a commercial representative of the Department of Trade and Commerce in Japan for some time past. As hon. gentlemen know, however, a commercial representative of the Department of Trade and Commerce would not have diplomatic standing in a foreign country. He is simply a departmental officer; the effectiveness of his position becomes materially enhanced when there is a minister in the country with him who has authority to speak to the government of that country in the name of his own country. The commercial representative in Japan of the Department of Trade and Commerce has been attached to the legation since the legation was opened; he has acted as commercial secretary. In that way the minister is brought into close relationship with commercial developments between this country and Japan, and the commercial representative has the advantage which arises through close association with the minister. There are some administrative duties which have to be performed, they may be expected to increase with the years. Happily, at the present time relations between this country and Japan are of the most friendly nature. As a matter of fact, I do not know of any serious issue between the two countries. One question namely that of the migration of immigrants from Japan to Canada, has always been a

more or less difficult problem, but I believe the arrangements which have been made will eliminate that particular question from the arena of international difficulties.

Mr. BENNETT: Has that been reduced to writing?

Mr. MACKENZIE KING: I made a statement at the last session of parliament in which I set out the particulars of the arrangement. It was thought desirable that the statement should be made to parliament in that form. The record appears in Hansard; the statement was made intentionally in that form. One of the important features of the immigration arrangement between Japan and Canada is that passports must be signed or viséd by designated officials. The viséing of passports for Japanese coming to Canada is part of the function of the legation, in many instances it may involve in advance the searching of individual records and the ascertaining of specific facts and information. As hon. members know, an important conference has been recently held in the Orient dealing with Pacific relations. Canada was represented at that conference by some of her best known citizens. I believe those who represented Canada found the presence of a legation in Tokyo extremely helpful. They found that the legation placed them in a position where they could very quickly become acquainted with those matters which from a Canadian point of view deserved careful consideration. The minister has very wisely sought to familiarize himself with political and economic conditions in Japan before attempting other duties, and his time up to the present has been devoted to the establishment of the legation on the right principles and in accordance with correct methods of procedure. From time to time special questions may come up, and as they do they will be dealt with individually. I do not know that it is possible to state a policy for Canada with respect to the Orient other than that of seeking in every particular to maintain the most friendly relations with the peoples of that portion of the world. It is the duty of the legation to see that no problem arises as between Japan and ourselves which through diplomatic handling can be prevented. With relation to problems which concern countries other than Canada and Japan, problems which have an imperial significance—if we wish to use that phrase—or a world significance, I would say that the relation of the Canadian minister in Japan to the British ambassador would be the same as the relation of Canada's minister at Washington to the British ambassador in that city. We have been told repeatedly by Sir Esme Howard, former British ambassador at Washington, that he found the establishment of the Canadian legation there, and in particular the presence of Hon. Mr. Massey, of the utmost assistance. He believes that the whole British relationship has been materially strengthened as a result of Canada having opened a legation in Washington and through the helpful cooperation there has been between the Canadian minister and the British ambassador. I believe the same will prove to be equally true in Tokyo.

Mr. WOODSWORTH: I should like to ask whether the jurisdiction of the minister in Tokyo extends in any degree at all to China or other adjacent countries?

Mr. MACKENZIE KING: As my hon. friend knows, the Orient covers a lot of ground. The relations between Japan and China are a factor in questions which may arise even as between Japan and this country. We have thought it advisable to have the Canadian minister, while in the Orient, pay a visit to China with a view to advising the government upon features which he thinks should be brought to our attention with respect to that country as well. I may say that when Sir Austen Chamberlain, at the time Secretary of State for Foreign Affairs, was in this city and we were discussing the question of the opening of a legation in Tokyo, he expressed to me the view that in his opinion it would be very helpful to the Canadian minister at Tokyo to visit China, and he stated that in the event of that course being thought desirable the British government would facilitate the movements of the Canadian minister in every way possible. At the time it seemed to me the idea was a good one, and it has been acted upon to a certain extent.

Mr. WOODSWORTH: I should like to ask further if it is the intention of the government to propose a revision of the treaty, or the drafting of a new treaty, between this country and China.

Mr. MACKENZIE KING: The matter has not thus far been considered.

Mr. BENNETT: I am obliged to the right hon. Prime Minister for the information he has given, but I should like to know something about the constitution of the legation. As I understand it from what the Prime Minister has said, and as I have gathered from what I have read, it is quite clear that the real value of the minister at Tokyo at the moment is that by virtue of his position, being a representative of Canada on the poli-

tical side, he is enabled to obtain access to governmental departments that a mere trade commissioner could not so speedily secure. From what I have read of the operations of our present minister at Tokyo since he went there, I should judge that his time has been principally taken up in the promotion of trade, and that in promoting trade his one service is that by virtue of the dignity which attaches to the position he is given the right of access to officials who would be denied to one engaged as a representative of trade only, and the minister thereby has extended the sphere of influence of Canadian exporters. So far as I can find out that seems to be a fair statement of the situation.

Mr. MACKENZIE KING: I think my hon. friend has stated the position as it is at present very fairly, although I should not restrict the minister's functions and services as much as he has done. The presence of the minister in Tokyo, perhaps more than anything else, has brought this country to the attention of the government, the large financial and commercial interests, and the people of Japan. That is a phase of our representation in the Orient which I think is quite important. I believe it is true that the presence of the minister in Japan has made it possible for numbers of persons in this country to become acquainted with individuals and firms in Japan by correspondence and in other ways and with opportunities so far as furthering Canada's interest in the Orient is concerned, which otherwise would not have been possible.

With respect to the establishment, the personnel consists of the minister, the Hon. Herbert Marler and a secretariat of three. Mr. Langley is the first secretary, and he is also the representative of the Department of Trade and Commerce. Mr. H. L. Keenleyside, is also a first secretary, and Mr. K. P. Kirkwood is third secretary. There is a clerical staff of three stenographers; there is a Japanese translator and an assistant; a Japanese stenographer and a messenger and office boy, who I imagine are also Japanese.

Mr. BENNETT: What are the salaries, if you please?

Mr. MACKENZIE KING: The minister receives a salary of $12,000, which is the amount paid the ministers at Washington and Paris and the High Commissioner in London. The minister receives also an allowance of $10,000 out of which he must meet the expenses of his residence and living. He is also allowed $3,000 for a car. The two first secretaries each receive a salary of $4,000, and they each will have an allowance of $4,000. The third secretary receives a salary of $2,580 and an allowance of $1,500. The salary of the commercial first secretary is paid by the Department of Trade and Commerce.

Mr. BENNETT: How much is that?

Mr. MACKENZIE KING: It is $4,000.

Mr. CHAPLIN: To whom is that paid?

Mr. MACKENZIE KING: That is paid Mr. Langley, the first secretary.

Mr. BENNETT: Is he the commercial secretary?

Mr. MACKENZIE KING: Yes.

Mr. MANION: I should like to ask the right hon. gentleman if he has the trade figures for Japan for the last three years, just to give us a comparison of the exports and imports over that period.

Mr. MACKENZIE KING: I am sorry I have not the figures here.

Mr. MANION: Then perhaps the right hon. gentleman can tell me if the balance of trade in our favour has increased in the past year or whether our trade relations have become any more favourable as far as Canada is concerned during the past year?

Mr. MACKENZIE KING: I would direct my hon. friend's attention to the fact that it was September before the minister reached Tokyo. He has been there now just a little over six months, and I doubt very much if the figures are available for such a recent period.

Item agreed to.

Geneva—salaries and expenses of the office of the Canadian advisory officer, $25,000.

Mr. MANION: Would the Prime Minister explain this item?

Mr. MACKENZIE KING: This is the Canadian office at Geneva, which has been in existence for some years. An increase of $2,500 has been necessitated by additional clerical work.

Mr. MANION: The nomenclature of the vote seems to have been altered each year. I have been trying to check up the votes for the last three or four years for the League of Nations, and I find this year that vote No. 243 covers the salaries and expenses of the office of the Canadian advisory officer; vote No. 244 covers Canada's contribution to the expenses of the League of Nations; vote No. 245 covers the expenses of Canadian delegates to the assembly, council and com-

missions of the League of Nations, and vote No. 246 covers the publications of the League of Nations. The total of those votes amounts to something over $233,000. In making a rough check of the votes for previous years, I find the vote for salaries and expenses to be roughly as follows:

1927	$10,000
1928	12,000
1929	21,000
1930	22,500
1931	25,000

Although I have made this computation very hurriedly, I think it is correct. It shows that from 1921 to 1931 there has been an increase from $10,000 to $25,000. The same thing is true with regard to the vote for the League of Nations, that vote having increased from $150,000 for 1927 to $184,000 for this year. It would appear that the votes are being increased each year, and as a member of this house I would like to know why. I cannot see why this vote should be increased over last year, and I would like to have an explanation from the Prime Minister.

Mr. MACKENZIE KING: The question of my hon. friend will be best answered perhaps by my reading a paragraph from the report of the Department of External Affairs. This paragraph will indicate how the work of the Canadian advisory office at Geneva has been increased. It reads:

> The work of the Canadian Advisory Office at Geneva as the established channel of communication between the government of Canada and the League of Nations, has continued to grow with the development of the league's activities and the responsibilities involved in the place in the league's organizations which has been attained by the Dominion. As a temporary member of the council and as a member of the governing body of the International Labour Office, Canada is called upon to participate in all the important conferences and administrative activities of the league. In addition to assisting at meetings of the council and of the assembly, the Canadian Advisory Officer has represented Canada in the meetings of the preparatory disarmament commission, the conference on revision of the Red Cross convention, commissions for the preparation of the convention on private manufacture and supervision of manufacture of arms, and the conference for the suppression of counterfeiting. The advisory officer represented the Minister of Labour at the sessions of the governing body of the International Labour Office and acted as a delegate at the sessions of the International Labour Conference. Reports on the various questions before the league have been forwarded and an increasing measure of information as to league activities furnished Canadian correspondents and the growing number of Canadians who visit Geneva.

As is shown by the paragraph which I have just quoted, Canada's representation at Geneva has become quite as important as that of any other country. Adequate representation has necessitated some slight additional expenditure. The division of the items is made simply to enable members of this house to estimate better what the activities are of the particular officers, and the work to which parliament is being asked to appropriate moneys.

Mr. MANION: I do not claim particularly that there is too much being spent, but it does strike me as strange that every time we open up an office of any kind—the Prime Minister has had a longer experience in civil service affairs than I have—whether it be in Canada, Geneva, Washington or elsewhere, the expenses of such office keep on increasing. Geneva is a considerable distance from Canada, and I would suggest that it might be well for the government, whether it is this government or the one which will succeed it, to check up the expenses of offices such as this. In reading the newspapers of England, the United States and Canada, I have seen protests against the expenses of the League of Nations. Most of those complaints were upon the ground that an immense civil service organization was being built up without any control being exercised. Considering the distance Geneva is from Canada, it is very easy to add a few extra clerks, secretaries and other assistants to the personnel, and hire a few extra automobiles without any check-up being made. Perhaps it is our duty to pay, but we should not permit the building up of such organizations without some check-up being made.

A hurried estimate of the expenditure for last year shows that they amounted to $215,000 for the Geneva vote, while the total for this year amounts to $233,000. I am quite certain that an examination of the votes for previous years will show that they have increased as the years went by. I suggest to the right hon. Prime Minister that the office at Geneva be informed that the people of Canada feel that unless it is absolutely necessary we should not have to go on increasing year by year the amount of money voted for that office. To a large extent this is true also with regard to the offices at Tokyo, Washington and other places. The sooner these outside offices are informed that this parliament is checking their expenses—at least in a general way; it would be very difficult to check them in detail—the better it will be for Canada as well as for the offices concerned. I for one desire to put myself on record as being opposed to this continual increase in the cost of running these offices, because after all the people have to pay the bills. A check-up of the civil service

in Canada will show that there is a continual growth from year to year, and the expenses of that growth are sufficient without a continual increase in the cost of a little civil service outside of Canada.

Mr. MACKENZIE KING: The votes with respect to Geneva are the same this year as they were last year, with the exception of the vote covering the salaries and expenses of the office of the Canadian advisory officer, which vote has been increased by $2,500, to cover the additional clerk which I have already mentioned, and the vote covering Canada's contribution to the expenses of the League of Nations, which has been increased by $12,445.80. That is an increase, however, which we are not in a position to control. Our percentage of the expenditure of the League of Nations is something like 3½ per cent, and there has been an increase in the total expenses of the league due to certain new activities in which the league has become interested. There is, for example, an inquiry into certain diseases in Latin-American countries, the carrying out of the recommendations of the economic conference of 1927, conference on the codification of international law, the strengthening of the narcotic law, and in addition there is the contribution which the different countries are making to new buildings for the League of Nations. All of that accounts for part of the increase in the amount, but it is a division of the total expenses of the league which is made by the League of Nations itself, and not an expenditure which we are in a position to control except to the extent to which we can make our voice heard for economy at the league itself. With respect to the voice of Canada in the matter of league expenditure, I think I can assure my hon. friend that it has been on the side of economy and not of extravagance.

Mr. MANION: I quite agree that the Prime Minister is right in saying that the large increase is due to Canada's contribution to the League of Nations, and to a certain extent his statement that we have not much control over that is also correct. But I repeat that I read some months ago that France was protesting against the continual increase in her expenditure in connection with the League of Nations. I do not think we need be too proud to take the same attitude, because the expense in connection with the item of which the Prime Minister spoke, over which in a sense we have no control, has increased from $150,000 in 1928 to $184,000 three years later. The only way in which that expense can be kept down for all countries is for Canada to take its attitude through its representatives at Geneva, just as France, England and other countries should take their attitude through their representatives at the same place. In these days of high expenditures, neither France, England nor any other country can afford to pay more than it has to; and of course that applies to Canada.

Miss MACPHAIL: While I have always been an advocate of economy, there is true economy and false economy. I think at an earlier stage in the session I gave the figures showing that the military expenditures of the countries of the world for one year would run the League of Nations for six hundred years. If we really want to save money I would suggest to the hon. member for Fort William that we can cut it off the estimates of the Department of National Defence and with good economy add it to the expenditure that is being made at Geneva. It was my great privilege to see something of the work that was being done by the Canadian office in Geneva last fall.

Mr. MANION: I hope that was not the cause of the increased expense.

Miss MACPHAIL: I hope not. Before dinner the hon. member for Toronto Northwest said that we had a whole army at Geneva. We have six Canadians in the Canadian office and I must admit that they are a host in themselves. Doctor Riddell, the head of the office, Colonel Georges Vanier and Mr. E. D. McGreer were, I thought, about as fine types of Canadians as could be found anywhere and they were doing serious work for Canada. What is more, they were doing it enthusiastically, and this cannot always be said of members of the house.

An hon. MEMBER: Let the hon. member speak for herself.

Miss MACPHAIL: I am not the least enthusiastic member of the house.

Mr. RYCKMAN: How could they be anything else to the hon. member?

Miss MACPHAIL: The office that we have at Geneva is really very beautiful, but it is not expensive, because thinking it was so beautiful I expected it would be expensive, so I asked what the rent was and I found it was amazingly low. I spent a good deal of time in the office with the three young women and the men I mentioned. I felt they were trying their very best to hold down expenses and spending only what money needed to be spent to do good work for Canada in Geneva.

I feel also that countries that have offices at Geneva are in a much better position while the assembly is in session than countries that do not have offices there. I am not trying to assist the Minister of External Affairs, but it seems quite reasonable that the expenditures would increase while we have a seat on the council of the League of Nations. I do not care to say anything more under this particular item, except this: let us not start economy on the peace end of our activities; let us begin to economize when the estimates of the Department of National Defence come up and then I will enlist the services of my good friend the hon. member for Fort William.

Mr. MANION: My hon. friend probably thinks we should cut down the navy too.

Miss MACPHAIL: Certainly.

Mr. MANION: I will vote with her to cut down the navy. I do not wish to be misunderstood as opposing our contribution to the League of Nations. I still take my attitude, with all due deference to the lady who has just taken her seat, that we might just as well be as economical as we can at Geneva and be as economical as we can at home. I did not have the advantage she had of visiting those offices or I might be defending the Prime Minister in this matter too.

Miss MACPHAIL: That may come also.

Mr. RYCKMAN: I note that Canada's contribution to the expenses of the League of Nations for 1930, is $184,000. Would the Prime Minister be good enough to tell us the nations that contributed sums in excess of Canada's contribution?

Mr. MACKENZIE KING: I understand that Canada stands about tenth on the list.

Mr. BENNETT: The International Postal Union schedule governs.

Mr. MACKENZIE KING: I think that is correct. I could not name the countries offhand, but I imagine my hon. friend will be able to surmise what they are.

Mr. RYCKMAN: Am I then correct in saying that there were nine other nations that contributed more than the amount contributed by Canada to the League of Nations?

Mr. MACKENZIE KING: That is the understanding.

Mr. CHURCH: I do not wish to be in the position of always criticizing the League of Nations, but I should like to find out something about it. Who compose the league? What does it do? What are its functions? Who are Canada's delegates? There is a labour delegation that goes over there and there are ladies going over there. Mrs. Mary Ellen Smith, who was supposed to be an impartial representative, went over there and when she came back she toured Canada addressing Liberal associations and criticizing the head of the party in this corner of the house. I am becoming alarmed at these expenditures. Canada is contributing the largest amount per capita of any member of the league. The mother country last year paid $395,000 to the League of Nations. I quote this from the Mail and Empire of a despatch from London of the 22nd March:

> It cost Great Britain $100,000 for the re-establishment of its embassy in Moscow, according to the civil estimates issued to-day. Other estimates dealing with foreign affairs showed that Britain's contribution to the League of Nations increased during the year from $355,000 to $395,000 annually, this country paying 10.65 per cent of the total league expenses, not, however, including the international labour organizations.

That is what the mother country is expending. Is this country increasing its expenditures? I think the amount is $284,000 when it is totalled up. This money is absolutely wasted. The government are busying themselves in every capital in Europe about foreign affairs and they cannot attend to their own home affairs. They are spending $450,000,000 in this parliament. Charity begins at home. A five cent policy is the cheap politics of the head of the Department of External Affairs towards his own people. He may read from Industry and Humanity all he likes, but charity begins at home. I want to read one or two paragraphs to show what actually goes on at the league on which we are spending so much money. I am quoting from the League of Nations, First Impressions, by George Bernard Shaw in the Empire Review. He thus describes his first visit to the league in 1928:

> When my presence at Geneva during the annual assembly of the League of Nations was mentioned in the press, I received several letters, of which the following is a fair sample:
>
> "I cannot help being rather surprised and shocked to read that you 'sit on the bench of mockers and hypocrites' . . . . In this country every little child knows that the League of Nations is only a bluff and nothing but an instrument for the policy of the allied forces . . . . I really am at a loss to understand why you don't feel your responsibility as a mental tutor of the world, when taking such a step as taking part in the comedy of Geneva, which is a tragedy for every country that does not find mercy in the eyes of the world's high C finance."
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> This letter is not a stateman's utterance. It is a crude expression of the popular impatience which sees no more in the league than an in-

strument for the instantaneous extirpation of war, and is ready to throw it on the scrap-heap the moment it becomes clear that no such operation is possible, and that the big powers have not, and never have had, any intention of relinquishing any jot of their sovereignty, or depending on any sort of strength and security other than military.

Roughly and generally it is a fact that the pacifist oratory at the assembly is Christmas card platitude at best and humbug at worst. The permanent departments of the league have to fight hard to defeat the frequent attempts to sabotage it by the big powers through their deciduous members.

Whilst I was there the press was keeping the public amused, not to say gulled, by gossip about the assembly meetings, at which nothing happens but pious speeches which might have been delivered fifty years ago.

We have two hardy perennials at the league, the leader of the Senate Hon. Raoul Dandurand, and Sir George Foster. They seem to be two souls with but a single thought, two hearts that beat as one as to the league. I have heard in this house some of our delegates talking about our maritime ports. When they go over to the league for a nice trip they do not leave our maritime ports. No, they sail on the George Washington and other fine steamers from the port of New York. That is how much these favourite statesmen care about our maritime ports. I quote again:

It was so impossible to listen to them, or to keep awake during the subsequent inevitable translations, that the audience had to be kept in its place by a regulation, physically enforced,—

I wish we had this regulation in this house. Mr. Shaw continues:

—that no visitor should be allowed to leave the hall except during the five minutes set apart for that purpose between speech and translation. Fortunately, the young ladies of the Secretariat, who have plenty of dramatic sense, arrange the platform in such a way that the president, the speakers, and the bureau are packed low down before a broad tableau curtain which, being in three pieces, provides most effective dramatic entrances right and left of the centre. When a young lady secretary has a new dress, or for any other reason feels that she is looking her best, she waits until the speaker—possibly a Chinese gentleman carefully plodding through a paper written in his best French—has reduced half the public galleries to distraction and the other half to stertorous slumber, when she suddenly, but gracefully, snatches the curtains apart and stands revealed, a captivating mannequin, whilst she pretends to look round with a pair of sparkling eyes for her principal on the bureau. The effect is electric; the audience wakes up and passes with a flash from listless desperation to tense fascination, to the great encouragement of the speaker who, with his back to the vision beautiful, fondly believes he has got them at last.

That is the kind of thing, cheap political vaudeville, that goes on at the League of Nations. We have been reading in the papers of a peace parley of five powers, but it is really six powers. Canada is represented there, this great nation with its wonderful fleet and its wonderful contribution to the league, the heaviest contribution of any country. Canada is represented at the peace parley by Colonel Ralston, the Minister of National Defence. He was wired to the other day to come home, but he did not come. He has asked to see the thing through. The Prime Minister of France, when asked by newspaper men why he was leaving the parley at London for Paris, said, "I cannot spend all day looking out of my hotel window however fine the weather may be," and outside he asked the reporters for a cigarette. The United States report says he was tired of it, and it was reported that our representative was also getting tired of it. The net result should be that our Minister of National Defence should be asked to come home and allow the mother country to look after European affairs. What we should be doing is to attend to the functions of this parliament and be passing legislation for the benefit of the working classes of this country. Let us do something practical, but we spend more than half our time trying to prove that Canada is a nation and that the league is the cure for all the ills of the human race. Dear knows what our representative at the peace parley is going to bring back in his club bag. The Minister of Justice brought back a wonderful new magna charta by which we were to be released from the tyranny forever of Downing street and have as an adviser a governor general who would make speeches just like a member of parliament does and cease being a governor, only a viceroy. The delegates to the league are all politicians. They are selected after the fashion of the Prime Minister when he is dealing with unemployment. He separates the sheep from the goats. No Tories are ever allowed to represent Canada at the league.

The first item under the heading of Geneva is for the salaries and expenses of the office of the Canadian Advisory Officer. He is a doctor, of what I don't know yet. Everybody connected with External Affairs is a doctor. What he is a doctor of I do not know. Some of the quack cures of these doctors on external affairs have been hurting this country and the British Empire. Who does the Canadian Advisory Officer advise? Does he advise parliament? A doctor advised the industrial and international relations committee to put up $600,000 to $1,000,000 for chairs in our universities to teach our young people something

about foreign affairs and to get the international formulae. I have one hundred and twenty-five students of Toronto universities that I am trying to get a job for now. Mr. Cyrus Eaton, the great Cleveland financier and philanthropist, went to Cleveland in his student days at McMaster and stayed there when he graduated. He would not be one of those who would stay at home and imbibe this magnificent dream of our new status, this international diplomacy which everybody gets so fed up on. Every child in the schools is to be given a copy, if you please, so that he may learn what our magnificent diplomats are doing at the League of Nations. Our university students, over fifty per cent of them, go to the States and other foreign countries. We are thus exporting our greatest assets, our clever students.

I have asked who composes the league. We have had twelve years of nothing but peace pacts and agreements and speeches, and what has been the result? It has been the utter failure of open diplomacy, which Mr. Woodrow Wilson so strongly, and so disastrously for the peace of Europe, advocated. Will Italy have anything to do with the league? Mussolini calls it a lot of horse play; that is the phrase of the Prime Minister of Italy. Will Germany or Russia have anything to do with it? Russia is mobilizing millions of men and marching on China, equipped with tanks and all modern military equipment. I quote from the January, 1930, number of the English Review:

> At present, while peace is chattered about in the suburbs of Western Europe, anarchy is spreading over vast tracts of territory. Millions of men are under arms; millions of homes are in constant peril of loot and desecration. Before 1914 these things would have roused the conscience of Europe. To-day Europe is so conscious of its moral superiority and unswerving devotion to peace that it will not move a finger. It will only sign pacts and pass resolutions. These war books reflect this evil mood. They are teaching people that all the good things in life come easily and automatically and that all the evil is due to the interference of politicians and soldiers with the peaceful evolution of society. That is a lie. One glance round the world to-day proves it so. But the literary coteries who are booming their books will not take that one glance. They must be taught to do so.

There are a whole lot of sensible people in this country who do not believe in the league, who have lost confidence in it. The league has been a nice, pleasant annual gathering, providing an enjoyable trip overseas on the most modern ships, sailing out of the port of New York instead of out of our St. Lawrence and maritime ports, for a lot of favourites of the government, and all the flatterers of the government took passage. The boys have a nice pleasant trip and imbibe the higher statesmanship of Geneva and all its vanities. What do they do when they go over there? They run up a lot of bills and nobody knows what they are for. Where is the Auditor General, what is he doing about this particular department? Have you ever seen a statement of the expenses of this league? I have looked for such a statement in vain. Let me enumerate these expenses:

> Canada's contribution to the expenses of the League of Nations for 1930, including secretariat, International Labour Organization and permanent court of international justice, $184,227.

A permanent court of international justice for what? To help pacify Europe? What we want in this country is a court of justice that will give the working class a chance in Canada, that will give them bread instead of a stone. Here is another item:

> Expenses of Canadian delegates to the assembly, council and commissions of the League of Nations, $21,000.

Who are these delegates? What political party do they belong to? Are they supporters of the government? Of course they are; that is the reason they get the trip. Then we have these expenses for publications:

> Publications of League of Nations for distribution to members of parliament and a grant to the League of Nations Society in Canada, $3,000.

That is $3,000 thrown away. The whole vote of about $243,000 is money that might be spent to much better purpose in giving relief to our women and children suffering in the cities and towns of this country. This expenditure would not be so bad if it was helping remove the risk of war, but the Prime Minister of France says that that risk is just as great as it ever was. The amount of money this league is spending is going up by leaps and bounds. This afternoon I was referring to the ultimate disunion of the empire as the outcome of the policy of this government. To-day in Washington there is the representative of the Irish Free State and our own representative. Not only is this government interfering in Europe, it is interfering in the Pacific too.

But to return to Europe. It is only about a week ago that the Prime Minister laid on the table Senator Dandurand's declaration with respect to the optional clause. He said it could be put down on a foolscap sheet of paper. It should have been made on April Fool's day. Senator Dandurand holds up his right hand and makes that declaration in relation to the optional clause. If Canada

got out of Europe altogether and our government contented itself with trying to govern Canada instead of Europe, this country would be far better governed than it is to-day. There are a few matters on the front page of to-day's paper that might well engage the attention of this particular department; one being the dismissal of British subjects from their jobs in the United States. Why has not that been brought to the attention of the League of Nations? The American people do not belong to the league. They started the league and then they said they would not have anything to do with it. Now they are going to build a canal of their own down through New York state, and there will be no deepening of the St. Lawrence waterway owing to the way Canada has run away from the St. Lawrence. What is the government doing about that? Would it not be better for our representative in Washington to get busy about something practical? These leagues never were of much use. After the great Napoleonic wars ending in 1815 the Holy Alliance was formed by the emperors of Austria and Russia and the king of Prussia, but it came to nothing. The United States covenanted to protect Belgium, but they did not do anything to carry out that covenant. The Persians, the Greeks and the Romans all had leagues, but to no purpose. I have never yet heard of a league that did anything to justify its existence. I fail to see what benefit the government is getting from this expenditure. The League of Nations has been weighed in the balance and found wanting. If we spent one half of the time on the economic problems confronting this country that is spent on this League of Nations—if Canada would only mind her own business and keep out of Europe, it would be far better for the Dominion and the empire. When Laurier took office our national expenditure was $36,000,000; to-day it is about $450,000,000—roughly half a billion dollars, although our population is very little more than we had in 1896. The government is simply spending money like water. It would be much better if they spent this money in helping the motherland keep up her navy. I venture to say that anybody who wants to be a delegate at Geneva had better get a promise from the government at once, because I believe the league will blow itself up if you give it time. We are paying to become a nation. Here is a paragraph about the league from the Morning Post:

> The anniversary of the Battle of Trafalgar yesterday serves as the peg on which the Morning Post to-days hangs its leading editorial on "Naval Necessities." Referring especially to Canada, the newspaper said: "Canada owes both her existence and her liberties in the first place to the Royal Navy, and then to that balance of power which maintains the British Empire in the new world as in the old. Let that balance be destroyed and how long, despite all pacts and treaties, would any part of that Empire rest secure?
>
> "Canada is growing mightily, not only in industry and agriculture, but in commerce. Her ships are even now bringing to her people the fruits, sugar and other tropical commodities of the West Indies. For the protection of that traffic her naval provision of two destroyers is almost ludicrously inadequate. Her vast grain trade, her sea carriage east, west and south—these owe their security to the existence of the Royal Navy under whose benignant shade Canada has grown and prospered.
>
> "These things are taken so much as a matter of course as to be ignored in the outlook of most of the Dominions. Yet it remains true that the trade of Canada, Australia, New Zealand and South Africa have no other security than the fleet which they seldom see, but of which the very existence is a perpetual restraint to any potential enemy. The ideal of peace in an unarmed world is not served by ignoring the truth."

It would be far better for Canada if we devoted the money we are spending on the League of Nations as a contribution towards the British fleet. That is the only real League of Nations; all other leagues are mere moonshine. The British navy has been the only league that has protected civilization and humanity for the past century. I am not going to move a reduction of the vote because I think it should be cut out altogether. I would give the League of Nations as much as the Prime Minister would give to unemployment—five cents; and that would be too much.

Mr. ROBINSON: Before the vote passes, Mr. Chairman, I have a suggestion to make to the Prime Minister. I think it is an opportune time to draw his attention to the fact that Greece is celebrating the hundredth anniversary of her independence, and Great Britain and the United States have sent their congratulations to that country. I would suggest that Canada might follow their example.

Mr. MACKENZIE KING: Thank you.

Mr. WOODSWORTH: Mr. Chairman, I should like to offer a suggestion. It is only recently that we in Canada have been under the necessity of dealing with foreign affairs. So far there does not seem to be any machinery set up by which we can secure an intelligent discussion of these matters. We have no established procedure. It does seem to me that not merely should these items of expenditure in connection with the league be brought before the house but also the various policies that are being discussed in the league should come under review. The other day in the

committee on industrial and international relations someone asked what we knew with regard to the rights of minorities. Senator Dandurand has been very active in regard to this matter and I fancy there is no country which takes a keener interest than we do in the rights of minorities. So far as I know, however, there has been no discussion in this house in regard to the matter, and no policy has been worked out. It may be that Senator Dandurand is working along the very best lines, but we have had no report other than what has been published in the records of the league. I submit to the Prime Minister there ought to be some very definite means adopted whereby consideration could be given to these affairs. We have set up a committee on industrial and international relations. It was on the suggestion of the Prime Minister that the second part was added and the committee given jurisdiction over international relations, but that phase of the work has never been taken seriously. This year for the first time a reference has been made to that committee, when it was asked to consider the motion of the member for Southeast Grey (Miss Macphail). I do not know whether that committee as now constituted is the proper place to deal with external affairs or whether it might be desirable to have a separate committee. When there are so many matters of importance to be considered it might be well to have a separate committee. As we are aware, the United States senate committee on foreign affairs is very influential, and I can see no reason why we should not have a committee of that nature in connection with this house. I hope the Prime Minister will understand that I am in sympathy with an extension of work along these lines, but I consider that we should have better opportunities of becoming informed, and we should have some voice in the determination of policies relating to external affairs.

Some hon. MEMBERS: Carried.

Mr. WOODSWORTH: Before the item carries I would like to have a statement from the Prime Minister. I wish to ask if we will have an opportunity at this session of the house to discuss Canada's foreign policies.

Mr. MACKENZIE KING: I do not control either the procedure or the proceedings of the house. With the best of intentions I tried last session to meet my hon. friend on a difficult matter, but apparently I have not been able to accomplish my purpose either to his liking or to the liking of some other hon. members. I hesitate to promise anything which it may be impossible to fulfil. As far as external affairs are concerned, the same opportunities are afforded for discussion of that subject as are afforded for the discussion of any other subject which may be considered by parliament. As to fixing a specific time I confess I find it somewhat difficult to undertake anything of that nature.

Sir GEORGE PERLEY: May I suggest to the Prime Minister that the question raised by my friend from Fort William (Mr. Manion) is worthy of the consideration of those who may represent Canada next year at the assembly? As the Prime Minister no doubt knows, there are half a dozen committees of the assembly, one of which deals with financial matters and the consideration of such questions as the division of expenses, what the total budget shall be, and things of that nature. It is very necessary that our representative on the financial committee should pay particular attention to the question that has been raised by the member for Fort William. The hon. member has said that there is a gradual increase from year to year in the expense of the league, and particularly in Canada's share of those expenses. I am of the opinion that the league is doing good work, but unless the matter is very carefully handled this country may be asked to pay more than its just share. In that connection I see no reason why the Prime Minister should not instruct our representative on the financial committee so that he may be able to consider the financial side of the question with greater care.

Mr. MACKENZIE KING: I shall be only too ready to act on the suggestion of my hon. friend.

Mr. WOODSWORTH: I am not very well satisfied with the situation as it has been left by the Prime Minister. In this item we have, for instance, grants made to the international labour office. I am keenly interested in what has been going on in connection with that office. There is no real opportunity under an item of this character to discuss in detail what the international labour office has been doing. The Minister of Labour (Mr. Heenan) is not present to-night and we are deprived of the information he could give us as to what has been done. He is not here to answer any questions or criticism that we may have to offer. I do not think anybody would suggest that this is a suitable opportunity to discuss matters of that kind. I do not want to be put in the position of having to move the adjournment of the house or to make a motion upon going into supply. I hope such procedure will not be necessary. I want it clear that I am

making no threat, but I do not think that a private member on this side of the house ought to be placed in the position where he has to move the adjournment of the house or make a motion upon going into supply before he can get consideration of matters of this kind. They are of sufficient importance to merit consideration by this house, and it is for that reason I appeal to the Prime Minister and ask that in some way they should be brought before the house. Would it not be possible to set aside a particular date for the discussion of league affairs?

Mr. MACKENZIE KING: May I point out to my hon. friend that about ten days have elapsed since I made the motion that the house go into supply to consider the estimates of the Department of External Affairs? As the hon. member knows, the consideration of the estimates is the opportune time to discuss any matter pertaining thereto. I deliberately brought on my estimates early in the session so that the fullest opportunity would be given to hon. members to discuss external affairs. In other years the criticism has been made that the estimates for this department have been considered at a time so late in the session that there was not opportunity for full discussion. This year they have been brought on at an early date, and for ten days past the house has been aware of the fact that these estimates would be considered just as soon as the house went into committee of supply. I cannot think of a better opportunity to discuss matters relating to the League of Nations than when the items in the estimates which affect the league are being considered. If my hon. friend can suggest a better opportunity that that afforded by supply, I would like to have his suggestion. It seems to me that supply affords the best of all opportunities. I may say that there will be two or three matters relating to League of Nations affairs which will come before the house shortly. There is one on the order paper at the present time relating to the optional clause. There are other matters, one of which relates to the approval of the protocol for the revision of the statute of the Permanent Court of International Justice, and another relating to the approval of the protocol for the accession of the United States to the protocol of signature of the statute of the Permanent Court of International Justice. These matters will afford opportunities for further discussions. I think the house will permit considerable latitude on any one of these subjects. There is no desire in any way to restrict consideration of these important matters.

[Mr. Woodsworth.]

Mr. RYCKMAN: I am considerably troubled by these items we are voting for external affairs. I am convinced that we are paying more than any other nation receiving similar service. I think the figures for London, Washington, Paris, Tokyo and Geneva are much in excess of what the work could be done for. I do not think any other nation pays as much for the upkeep of any legation as we pay in the case of Washington, especially if we take into account the interest on the money we have invested there. It may be that the United States pays more with respect to Paris, but I should like to know if the Prime Minister can tell us of any nation which pays more for Tokyo than we pay. As far as Geneva is concerned it is proposed to expend this year about $235,000, and I do not believe we get value for it. It is not a question of "keeping up with the Joneses;" in these items we are running far ahead of them and setting a pace. Canada is the most extravagant of the nations with regard to its external affairs. When I think of the debate which just finished to-day; when I remember that we have no money for unemployment, it seems a shame. We have these sums of $117,000, $100,000, $80,000, $233,000 and so on, but nothing for the unemployed. I want to ask the Prime Minister if something cannot be done, while he is at the head of the government, to economize in these matters. I know something about these trips abroad; at one time I crossed the ocean with some delegates who were going to attend the League of Nations, and they regarded it as a great joy trip.

I will tell you what I am satisfied I could do. I could take the sum of $50,000 and put a man in London who could take care of all Canadian interests there; for $25,000 I could put a man in Washington who would look after the situation there. You could allow the same sum for Paris and Tokyo, and it would be sufficient. If we were on the job; if we were desirous of advancing the interests of this country instead of being anxious to give people pleasant jobs and nice trips, we could take care of the financial interests, the foreign trade and the international relations of this country in a way that would benefit Canada, at a very much less cost than that which is now involved. It is appalling to me to see Canada paying these immense sums. If I am wrong I should like the Prime Minister to tell me what nations are paying more for similar services than we pay. There is no answer. I happen to know a gentleman who was recently appointed United States ambassador at Warsaw, and certainly in that

case there was no appropriation like this. I remember that two years ago the complaint was made that we were trying to "keep up with the Joneses." I do not want anyone to outstep us in the race, but I object to our country setting the pace for all the others, and that is the position in which we are placing ourselves now in view of the amounts we are asked to vote for external affairs. I object, Mr. Chairman; we could do the business of the country more economically and more effectively at much less expense; at least that certainly is my opinion.

Item agreed to.

Geneva—expenses of Canadian delegates to the assembly, council and commissions of the League of Nations, $21,000.

Mr. WOODSWORTH: Just here I should like to say a word of commendation to the government for having placed the last delegation on what appears to me to be the proper footing; that is, the delegation was not composed entirely of supporters of the government. I believe Sir George Foster and Miss Macphail were members of that delegation, and they represent parties other than the Liberal party. We have a precedent for an action of that kind, since last year Lord Cecil was appointed a member of the British Empire delegation as representing the government of Great Britain. It strikes me that in these matters of such great interest to the country we should rise above narrow party lines. After all when it comes to matters of international importance we are all Canadians, and it seems to me the government should be commended for having taken action along this line.

Mr. RYCKMAN: All prepared to take trips together at the expense of the government.

Mr. WOODSWORTH: No, I do not think that is the idea; it seems to me this is a bigger thing than merely joy riding. I must confess that for a long time I was not tremendously enthusiastic about the league because it seemed to me simply a league of victors and was so circumscribed in its powers that it did not amount to a very great deal. However, as the years have gone by, within somewhat narrow limits, it is true, the league has done very good work, and as a matter of fact it is the only international organization in existence. I think any thoughtful student of world affairs must come to the conclusion that to-day we cannot go along just within our own national limits; we must have some form of world organization if we are to prevent world wars in the future. Therefore I urge that we should support the League of Nations. If we recognize that Canada must play a part in the League of Nations, then we cannot talk in a cheap way about our delegates to that league taking a joy ride. One might just as well say that when we come to Ottawa to attend the sessions of this Dominion parliament and to look after the business of the country we are taking a joy ride. I think we must recognize that the league is coming to be something of a world parliament; we should choose our representatives just as carefully, and they should take their duties just as seriously, as is the case with representatives in our own legislative bodies. Our delegates have been in attendance at the league; they have come in contact with some of the world leaders and discussed some of the world problems, but there is no opportunity for them to present anything in the shape of a report to other members who have not had the opportunity of going to Geneva. Again I do not know just how this could be done. Some of us have discussed matters with them privately with a view to getting information. I do not suggest that most of us have anything to contribute, but rather that we should receive information as to what is going on, and then possibly have a chance to pass judgment on the policies which have been brought forward.

Miss MACPHAIL: Since the matter has been brought up by the hon. member for Winnipeg North Centre I want to say something about my appreciation of the action of the government in sending a parliamentary delegation to the League of Nations last September. I feel slightly embarrased in doing so, because I was one of the group sent. I did not accept the offer of the government as meaning that I would be given a joy ride. That it would be an excursion which would afford me pleasure was of course the case, but that was not the reason I accepted the offer. Hon. members will recall that last year I made the suggestion that the delegation sent to the meeting of the league should be non-partisan. The government acted upon my suggestion with alacrity, and I was taken more or less by surprise as the government does not often take my suggestions seriously. Sir George Foster was appointed to go, not because he was a Conservative, I take it, but because he had done very excellent work for peace and for the League of Nations. I was asked to go, possibly because I had been interested in this subject—I hope that was the reason. When Sir George Foster, the Minister of Public Works (Mr. Elliott), the Minister of

National Revenue (Mr. Euler), Senator Dandurand and myself arrived in Geneva, we found that we were not Liberals, Tories or Independents—we were Canadians. The treatment accorded to us by the members of the governing party was all that it could possibly have been. Sir George Foster and myself were treated as well as if we had been Liberals—but we were not and that perhaps is something to be thankful for—and I want to say publicly that I think this government deserves credit, not because they appointed us but because they appointed those who were not of their own party, and having done that they treated us as well as though we had been of their own party.

Until I visited Geneva I was something like the hon. member for Winnipeg North Centre (Mr. Woodsworth), I was not a particular enthusiast for the League of Nations. I believed that it was a cumbersome machine which had in this country some advocates who were not very devoted to the interests of the common folks. This view led me to become skeptical of the work being done, but after my visit I have been convinced that it is accomplishing most excellent results. I would make a suggestion to this government, if they should be the government in power when the next appointments are made, that they send the hon. member for Toronto Northwest (Mr. Church). This may seem like a drastic suggestion, but drastic action is necessary. I am sure that he would come back an enthusiast for the league. I found that those who went to scoff remained to pray.

The suggestion has been made that this trip was a joy ride, and I think it was particularly applied to me. I resent that, not because it was applied to me but because it was applied to a Canadian who was acting as a delegate to the League of Nations. If any Canadians have gone to Geneva in the past thinking of their trip as a holiday, they should be severely censured. To learn the workings of the cumbersome machinery of this parliament is not an easy task or one that can be learned rapidly, and it is more difficult to become familiar with the assembly and the committees of the League of Nations.

I would like to offer a few practical suggestions. First of all, I think the government should make the appointments as early as possible, so that those who are appointed may inform themselves on the subjects to be brought before the league. To do that takes considerable reading and time. It seems to me to be rather an insult to the greatness of the work of the league to send people who are ill-prepared. We had almost no time in which to prepare ourselves. There may have been some who had these subjects at their finger tips, but I assure the committee that I was not in that category.

Another suggestion I would make is that the authority should not be centred in the head of the delegation. In making this suggestion I am not insinuating that the gentleman who headed the delegation was not very able or exceptionally well informed, but if the authority was diffused among the members of the delegation and each one made responsible for certain items on the agenda they would then feel a responsibility to inform themselves regarding particular items, and to discharge their duties to a degree which they cannot feel when they are not in the last analysis fully responsible. My next suggestion may amuse the committee, but I think there should be continuity in the delegation. The committee may think that I have a desire to be sent back to Geneva, but it will realize that if the members of this House of Commons were changed every year, with the exception of one or two, there would be considerable difficulty in doing even reasonably good work. New delegates are appointed each year and it is only by the time they have to depart that they are able to learn the run of things.

As Canadians, and particularly as members of this House of Commons, I think we should rid our minds of all thoughts that attending the assembly of the league is a joy ride. I would like to see the Minister of External Affairs attend the assembly of the league each year, but as he is also the Prime Minister, I realize that that would be impossible. However, someone closely attached to the Department of External Affairs and responsible to that department, such as the under secretary, should attend these meetings. Eight prime ministers and twenty ministers of external affairs attended the tenth assembly of the league.

I think that every facility should be granted to acquaint the parliament of Canada and the people of Canada with what the delegates have seen and what they have done.

I think the delegates before they leave Canada should be well acquainted with the mind of the cabinet in regard to the matters appearing upon the agenda. Another necessary qualification for this work is an understanding of the French language. I was never so sorry that I could not speak French as I was when I attended the league this year. It does seem a pity that more Canadians do not become acquainted with our two languages.

I make these suggestions in good faith because I feel that if they are acted upon, the work at Geneva will be vastly improved. We have a tremendous work to do there. We are the only member of the league from the North American continent. When I realized the number of seats held by South America, and the great importance Europe attaches to itself in the work of the league, I was convinced that we have not been living up to our full responsibility to this new community, the world.

Mr. MACKENZIE KING: Mr. Chairman, may I be permitted to express my thanks to the hon. member for Winnipeg North Centre for drawing the attention of the house and of the country to the composition of Canada's representation at Geneva at the assembly of the league last year. He drew attention particularly to the fact that the delegation was not composed merely of members of one political party. I think the delegation represented, so far as it was possible so to do, pretty much all shades of opinion in parliament. May I say to the hon. member for Southeast Grey that the government felt that the country as a whole would appreciate there being on the representation from Canada a woman representative, and that we could think of no one who could more appropriately represent the women of Canada than the first woman member in the House of Commons? If there was ever any doubt as to the wisdom of the choice, that doubt was dispelled the moment my hon. friend accepted the invitation, attended the League of Nations and made known her impressions and views with respect to its work. The suggestions which have been made to-night by her are, I think, entirely to the point. They are all of a character that, I believe, should receive and, I may say, will be given very careful attention.

Mr. STEWART (Leeds): There are two advantages that we may expect to derive from the League of Nations and from the fact that we send representatives there. The first is the contribution which we through our representatives make to the work and the undertakings of the league. As has been suggested, it is very important that those who go there should be well equipped in every way with information in advance as to the agenda, and should be assigned some particular part in the work that is to be done. The other advantage to be derived from sending representatives to the league is the information which is brought back to us and which is disseminated amongst the Canadian people as to the work, objects and accomplishments of the league. When we refer a matter to any committee of the house it is quite in order to expect and receive from that committee a report. While listening to the discussion I was thinking it would be to our advantage if, when these delegates return, we had a report as to the situation as they see it from the Canadian standpoint. So far as I know no such written report has ever been made by the delegates from Canada.

Mr. MACKENZIE KING: A sixty page report was submitted to parliament more than a month ago.

Mr. STEWART (Leeds): From the Canadian delegation?

Mr. MACKENZIE KING: Yes.

Mr. STEWART (Leeds): I have not seen it yet. It has not come to my mail box. That is after all the line along which we shall get the best results, namely, by making known the objects, work and accomplishments of the league and the part which our representatives have taken in its work. If such a report is available it should be given very wide distribution and should be made known to all who are interested in the work of the league.

Mr. MACKENZIE KING: The report was tabled and the announcement thereof appeared in the votes and proceedings. Copies were distributed.

Mr. STEWART (Leeds): Copies may have been distributed amongst the members, but that is not the distribution I have in mind. I have in mind a much wider distribution than that, because that, after all, will touch only the fringe of the situation and will not reach many organizations and people who are deeply interested in this work.

Mr. McLEAN (Melfort): I should like to endorse the statement made by the hon. member for Leeds as to the interest taken in reports given by members of the delegation to Geneva on their return to Canada and the advisability of a wide distribution of those reports. It was my good fortune last year to be asked to address many meetings on this question, and I always found the people more interested in the proceedings at Geneva and the work of the League of Nations than on any other question. Wherever I had an opportunity to speak to the Canadian people on the matter, they were keenly interested in knowing how the work was conducted, about the people who came from other countries, their objects and particularly their outlook.

One thing that interested them more than anything else was the spirit which is evident at Geneva in the gatherings of the assembly and things of that sort. Sometimes in such conferences as that which is now proceeding in London and that which takes place annually in Geneva in the assembly and council of the league, there is apparently a great deal of talk and not so much work done. The old farm saying, "Much cry and little wool," is, in the minds of some people, applicable, but the same thing is true of every parliamentary gathering. It is unquestionably true of this house.

Mr. MANION: Let the hon. member speak for himself.

Mr. McLEAN (Melfort): I am speaking for myself, and I would like to associate my hon. friend with me in speaking for ourselves. This however is more apparent than real. In a gathering such as this, where men and women come from all parts of Canada and their opinions are so diverse, it is necessary to do much talking and to delay proceedings a long time until matters are threshed out. The same thing is true in committees. In Geneva the business is conducted in the same way and according to the same principle but on a much larger scale. There were many women delegates at the assembly last year—

Miss MACPHAIL: Ten.

Mr. McLEAN (Melfort): I thought there were more than that. There were eight or ten on the committee on which I had the pleasure of sitting. As they come from all parts of the world, represent almost all the highly civilized countries, and discuss very important affairs, it is inevitable that much time must be taken in and much thought given to the carrying on of the work of the assembly.

It is not correct to say that the assembly is a holiday in itself. Through the hot weather of the month of September in Geneva, in poorly ventilated halls with very little fresh air coming in, sitting under very difficult circumstances—which will be remedied as soon as the new parliamentary buildings are completed—the delegates stuck to their work, not from three o'clock in the afternoon but from ten o'clock in the morning and in committees for long stretches of time on end. I can assure this committee that anyone who sat in the assembly or in the committees and paid attention to the work that was being carried on certainly worked hard. The parliament of the nations that meets at Geneva is unquestionably becoming the most important political gathering in the world. Canada gets not only the benefit of which the hon. member for Leeds spoke, that is of learning through the delegates what goes on there and how it is done, but also a good deal of benefit from the wholesome advertising she should get and has been able to get all through the years during the ten assemblies of the league. One of the fine things that a Canadian meets in Geneva is the high regard in which this country is held by the assembly of the league and by the men who come there year after year from the various countries. This is due I think to the class of members who have been sent there from the earliest days of the league down to the present time, with due allowance for modesty on the part of some of us who happened to be there on one occasion.

My only regret is that more members of parliament have not been able to go and that I did not know more about the league in previous years and in the session during the year in which it was my good fortune to be asked by the government to be one of the representatives at Geneva. It is well worth while to study the work of the league, to render what assistance we can by word, thought and influence in this country and to keep in touch with the work that is being carried on there. Whenever possible we should endeavour to visit Geneva and see how the work of the nations is being conducted. It is a big thing, a growing thing. The spirit that is evident at Geneva is extremely strong. I had never had an opportunity before to realize how necessary and wise it was for men and women to talk and work and keep on talking and working even when apparently they were not coming to a solution of their difficulties. I happened to be on the fifth committee, which dealt, amongst other things, with narcotics. During the first meeting of the committee the delegates of certain countries in Europe made statements that their governments had last year voluntarily instructed the manufacturers of narcotics that they must cut down their output to a certain figure. They did this voluntarily. The Canadian delegation thought that this would be a good time to introduce a resolution looking to a conference of all the manufacturing countries, with perhaps some of the victim countries, in order to secure a limitation of the manufacture of narcotics, and then ration them in order to avoid suffering on the part of those who needed them, and avoid also the contraband manufacturing of narcotics. The Canadian

delegation announced to the British delegation that they had this in mind. The British delegation had introducted a resolution of that character five years before, but had not succeeded in getting it passed. It was evident that the British delegation wished to reintroduce such a resolution at that time, and in cooperation with the Canadian delegation the resolution was introduced. At sitting after sitting of the committee that question was fought over. Everybody wanted to do something about it, but it was difficult to come to an agreement as to terms. The resolution was moved and many amendments were considered. At times it looked to some of the delegates from other countries that the situation was hopeless. But finally, after a drafting committee had been appointed, and had done much work, a solution was arrived at; a resolution was passed unanimously calling for a conference, to be held shortly, of all the manufacturing nations, with at least an equal number of the victim nations, in order to secure a reduction in the manufacture of narcotics and their rationing so as not to increase the price, and also to take steps to guard against what happened in this country in connection with a reduction in the manufacturing of another article, and its subsequent illicit manufacture and sale. My experience on that committee indicated the wisdom and the necessity of continued discussion with a view to reaching an amicable solution. Of course, that is not new; we do it in committees of this house all the time, and much of the important work of the League of Nations is done in committees, just as is the case in this parliament.

Mr. GEARY: When we come to the next vote we shall find an item that seems to have been overlooked by a number of those who have spoken. In addition to the publications of the League of Nations for distribution to members of parliament, we subscribe for the publications of the Empire Parliamentary Association. These reports and publications come to our letter boxes in such numbers that unless one follows them closely he is very likely to pass over them. But as the hon. member for Southeast Grey will agree, it is not difficult, if one takes advantage of what is offered just in these publications of the League of Nations and of the Empire Parliamentary Association, to keep fairly well abreast of the general current of affairs, and at least to know what is going on and what is going to be dealt with by the league in the assembly and otherwise. I think that that is money well spent. Perhaps I am a little ahead, Mr. Chairman, in discussing that vote.

We have a League of Nations society in Canada, which is doing its best to increase its membership. It has a publication called Interdependence. If the people of this country only realized it, there are publications available which will enable anybody who chooses to take advantage of them to keep fairly well abreast of what is going on in the league. Up until the last ten years we probably took more of an academic interest in these matters because we were a little far afield, but since the war we have been drawn more into the current of events and we feel somewhat of the interest the Britisher is bound to have every day he reads of foreign affairs in his morning paper. I do not think that the press in Canada up to the last two or three years have carried items of foreign news to any great extent and it is not to be wondered at that the people of Canada have not felt bound to take a great deal of interest in foreign affairs. But the great war brought us into the swirl of events, and as time goes on we shall be drawn farther afield than we have been up to this time.

I am very glad to have heard what my hon. friend from Southeast Grey has said about the league and her experiences there. I should like to say that that is no different from any other trip. If one wants to work, one works; and if one wants to make a joyride of it, one can do so. The League of Nations being of the importance it is, and Canada taking part in it to the great extent it does, I would not for a moment consider cutting down our activities in that regard, but rather I think we should seek to further our connection with the work.

Mr. MANION: I wish to say a word or two on a question not dealing with the league at all, but dealing with external affairs. It is of some importance, and perhaps may be said on this item as well as on any other.

There is an organization called the Parliamentary Economic Conference which, except for the interval of the war, has been meeting yearly for the past twenty or twenty-five years. Last fall it met in Berlin, Germany, and some sixty-two or sixty-three countries were represented. The majority of the representatives pay their own expenses. I am not suggesting that this is an opportunity for this government or any government to spend more money. I am pointing out that it is an economic conference of a good deal of importance, attended by some sixty-two countries. At the last meeting Great Britain had some twenty-five representatives. Canada had no representative present; at least, she would not have had a representative had not a member of this house of parliament been in

London at that time and been asked by Sir Howard d'Egville, the secretary of the Empire Parliamentary Association, to represent Canada. He hesitated to go, pointing out that he was not even a supporter of the government, but it was represented to him that this was a parliamentary organization that had nothing to do with governments and was not political in any way.

Mr. MACKENZIE KING: Who was the representative?

Mr. MANION: I was.

Mr. MACKENZIE KING: Was not the Minister of National Revenue present at that conference?

Mr. MANION: No, there was no other representative of Canada present, and I went only incidentally. I had not intended to mention my name until the Prime Minister asked for it.

The Parliamentary Economic Conference is a business organization dealing, for instance, with such subjects as the rationalization of industry and matters of that kind. It covers a large field. It is an organization which should be attended by business men, and I am sure that we have in this country outstanding business men who would be glad to represent Canada at the annual meeting of that conference. It is, I think, of some importance. I do not know that it would be of any great value, except that it would have its value in contacts and in a certain amount of advertising for our country, so many countries being represented at the conference. As I said, Great Britain had twenty-five delegates, and there were also representatives from Japan and various other countries. I would suggest to the Prime Minister that it might be well for the Department of External Affairs to get in touch with Sir Howard d'Egville and see if Canada cannot be represented at future conferences, not at the expense of this country at all, but by prominent business men of Canada who would be glad to attend at their own expense. Most of the representatives of Great Britain went at their own expense. While some of the countries pay the expenses of their delegates, I think the majority do not. I offer that suggestion for the consideration of the Prime Minister.

Mr. MACKENZIE KING: Thank you.

Mr. RYCKMAN: Would the Prime Minister be good enough to give the details making up the item of $21,000 for expenses of the Canadian delegates to the assembly?

[Mr. Manion.]

Mr. MACKENZIE KING: These were travelling and other incidental expenses. I do not appear to have them in detail.

Mr. RYCKMAN: I cannot find the amounts to each delegate.

Mr. MACKENZIE KING: They will appear in the Auditor General's report for the different years.

Mr. RYCKMAN: I should like to get the information. I may not be careful enough in searching, but I cannot find the information. I should like to know how the $21,000 is split up.

Mr. MACKENZIE KING: About two-thirds of the expense is incurred in connection with the work of the assembly and about one-third in connection with the work of the council and the commissions. There are travelling expenses, hotel expenses, and other incidental expenses.

Mr. RYCKMAN: I really must request an answer, because vote 245 is set out as:

Expenses of Canadian delegates to the assembly, council and commissions of the League of Nations, $21,000.

I want to know who were the delegates and how much was paid to each one.

Mr. MACKENZIE KING: The delegates were the Right Hon. Sir George Foster, the Hon. Philippe Roy, Miss Agnes Macphail, M.P. and Mr. Malcolm McLean, M.P. Probably I should have mentioned first Hon. Senator Dandurand, Hon. J. C. Elliott, and Hon. W. D. Euler. They composed the delegation to the last assembly. I cannot say at the moment who the delegates to the next assembly will be. Their expenses altogether amount to $12,000.

Mr. RYCKMAN: I should like to know how those expenses are distributed.

Mr. MACKENZIE KING: As near as I can give my hon. friend the particulars, the expenses were: Senator Dandurand, $2,500; Hon. J. C. Elliott, $2,515.93; Hon. W. D. Euler, $2,000; Sir George Foster, $1,680; Hon. Philippe Roy, $846;—of course Mr. Roy was in Europe at the time—Miss Agnes Macphail, $1,658; Mr. Malcolm McLean, $1,817. With respect to the expenses of the three ministers the first mentioned I may say that in connection with the work of the league a custom prevails whereby each country extends some form of hospitality to representatives of other nations, the expenses incurred in connection therewith so far as Canada is concerned are distributed amongst the ministers who repre-

sent Canada. That would account for the larger amounts charged against the ministers as compared with the other delegates.

Mr. WOODSWORTH: Before we pass from external affairs, although it does not come directly under this item, would the Prime Minister give us a statement with regard to our present relationship to Russia? How far have we established connections now that relations have been established between Great Britain and Russia? To be more specific, if, for example, a Canadian wishes to go to Russia can he obtain a passport here, or must he obtain it through the British authorities?

Mr. MACKENZIE KING: So far as relations between Canada and Russia are concerned, they are similar to those existing between Canada and any other country, other than those in which we have legations. We have legations only in the United States, France, and Japan; we have not legations, in nor do we receive diplomatic representatives from, any other countries than those three. Russia in that regard is in exactly the same relationship to Canada as, say, Italy or Austria or Germany.

Mr. WOODSWORTH: Did we not break our relationship with Russia?

Mr. MACKENZIE KING: There had been a special diplomatic privilege given to Russia. That was discontinued. Russia at that time under a special treaty negotiated with Great Britain to which this country had become a party, had a position of advantage, diplomatically, relative to that granted to any other country. A change was made in that regard. as my hon. friend knows, when the treaty was abrogated. That, however, has left Russia, so far as receiving diplomatic missions by Canada is concerned, simply in the same position as any other country, save the three I have mentioned. If any one from Canada wishes to visit Russia he can obtain a passport from the passport office at Ottawa. To admit him to Russia, it would have to be viséd, I believe, by Russian authorities.

Mr. STEWART (Leeds): Is Russia represented at the League of Nations?

Mr. MACKENZIE KING: I think not.

Mr. MANION: I understood the leader of the opposition wished one item to be held over

Mr. MACKENZIE KING: It is the next item.

Sir GEORGE PERLEY: Regarding this particular item, the hon. member for Leeds (Mr. Stewart) and the hon. member for Melfort (Mr. McLean) suggested there should be a wider distribution of literature with respect to the league. I know of no way in which it can be done more effectively than by the League of Nations Society. Ordinary membership of the society costs only a dollar a year, but that does not pay the expenses incident to distributing the bulletins and other papers sent out to the ordinary members. The more help the government gives to the society the more they will be able to distribute this literature to their ordinary members. That is the cheapest and simplest way of securing that distribution.

Item agreed to.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, April 9, 1930

The house met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 57, respecting the Confederation Life Association—Mr. Anderson (Toronto-High Park).

INTERNATIONAL PEACE

PERMANENT COURT OF INTERNATIONAL JUSTICE

Mr. MACKENZIE KING: I beg to lay on the table a copy of the protocol for the revision of the statute of the Permanent Court of International Justice, signed at Geneva in respect of the Dominion of Canada on 14th September, 1929; and also a copy of the protocol relating to the accession of the United States to the protocol of signature of the statute of the Permanent Court of International Justice, signed at Geneva in respect of the Dominion of Canada on 14th September, 1929.

RADIO BROADCASTING

REFERENCE OF REPORT OF ROYAL COMMISSION TO SPECIAL COMMITTEE

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

That all matters connected with the radio broadcasting situation and problems, also the report of the royal commission on radio broadcasting be referred to a special committee consisting of Messrs. Anderson (Toronto-High Park), Bell (St. John-Albert), Boulanger, Chevrier, Gershaw, Glen, Gray, Garland (Bow River), Heaps, Howard, Ilsley, Ladner, McKenzie, McMillan, MacDonald (South Cape Breton), Macdonald (Kings), Mercier (St. Henri), Simpson, Thorson and White (London).

Motion agreed to.

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

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

That when this house adjourns on Friday, April 11, it stand adjourned until Monday, 28th April instant.

Sir GEORGE PERLEY: May I ask the Prime Minister (Mr. Mackenzie King) with regard to Friday of this week, if it is the intention to adjourn at six o'clock. I thought for the convenience of members it would be well to know.

Mr. MACKENZIE KING: That is the intention.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PREMIUM ON GUARANTEE BONDS

Mr. FRASER:

1. What are the details of the payment "premium on guarantee bonds, $280," part M, page 5, Auditor General's Report, 1929, volume II?
2. On what statutory authority was this payment made?
3. How many officials of the annuities administration are bonded and in what amount in each case?
4. Why has the return required by section 32 of chapter 164, revised statutes of Canada, not been made?
5. If all officials are bonded why was it necessary to provide for the payment made under order in council, P.C. 21/436?

Mr. RINFRET:

1. In payment of yearly premiums on 13 bonds at $2,000 and 1 bond at $5,000—$280.
2. Chapter 164 revised statutes of Canada and appropriation acts, 1928, chapters 1, 2 and 54.
3. 20 at $2,000; 4 at $1,000.
4. Return was tabled on February 24, 1930.
5. It was not the policy to bond annuity agents at that time.

RADIO BILL

Mr. CHURCH:

1. When will the proposed radio bill be introduced in the house?
2. What action will be taken regarding the radio licenses that expire March 31st next, as to renewal?

Mr. CARDIN:

1. No legislation will be considered until the report is received from the committee appointed to consider the radio commission report.
2. They will require to be renewed as from April 1.

IMPORTATION OF GRADE SHEEP

Mr. ROWE:

1. Did the government during the calendar year 1929 pass an order in council permitting grade sheep to be imported from United States?
2. If so, on what date?
3. How many sheep and lambs were imported duty free from United States during calendar year 1929?

Mr. RINFRET:

1 and 2. An order in council was passed under date of July 20, 1929, authorizing the remission of duty on grade breeding ewes imported into Canada from the United States, between the dates August 1, 1929, and November 30, 1929, both dates inclusive.

A further order in council, dated October 2, 1929, rescinded the order in council of July 20, 1929, effective October 1, 1929.

3. Sheep for exhibition purposes, 251; sheep for improvement of stock, 52; grade breeding ewes and Rambouillet rams, 13,541.

HISTORIC SITE—TORONTO

Mr. CHURCH:

1. Does the government own or has it leased the property commonly known as the "Old Fort," an historic site at the foot of Bathurst street, Toronto?
2. Has the attention of the government been called to the dilapidated condition of this historic site?
3. Will anything be done to clean the place up and to repair the emplacements and the guns now in poor state of preservation?
4. Will the government undertake these repairs itself and assist the city, or with the city clean the place up and place this historic site in a state of repair, including the old fort and the soldiers' cemetery there?

Mr. STEWART (Edmonton):

1. No.
2. No.
3. Responsibility with the city of Toronto.
4. Deed May 17, 1909, issued to the corporation of the city of Toronto, subject to the following trust and condition: that the site of the old fort situate upon the said lands shall as far as possible, be restored to its original condition, as shown on the attached copy of a plan of it, prepared by G. Nichols, government engineer, and dated Quebec, June 24, 1816, and that the same shall be preserved and maintained in such condition forever.

CHIEF ELECTORAL OFFICER

Mr. HANSON:

1. How many officials or employees are there in the department of the chief electoral officer: (a) permanent; (b) temporary?
2. What are the names of each employee, permanent or temporary, with their official positions?
3. What is the remuneration of each?

Mr. RINFRET:

1. There are at present in the office of the chief electoral officer: (a) three permanent employees, and (b) ten temporary employees.

2 and 3. The names of these employees, with the official position and remuneration of each, are as follows:

(a) Permanent Employees (3)

Name—Rank—Salary

Castonguay, Jules, Chief Electoral Officer, $6,000 per year; Collins, Kathryn B., Secretary to Chief Electoral Officer, $1,620 per year; Laperriere, M. R., Stenographer (grade 3), $1,500 per year.

(b) Temporary Employees (10)

Beaudoin, R. M. J., Supervisor of distribution, $35 a week; Charlebois, A., Clerk, $25 a week; Collins, H. M., Clerk, $25 a week; Hache, D., Messenger, $100 a month; Mellon, Arnold, Clerk, $25 a week; Naubert, E., Clerk, $25 a week; O'Donnell, Gerald, Clerk, $25 a week; Reeves, E., Clerk, $30 a week; St. Germain, C. A., Clerk, $25 a week; Smith, Dorothy, Stenographer, $25 a week.

SHELBURNE, N.S.—RAILWAY WHARF

Mr. ERNST:

1. Has the railway wharf at Shelburne, Nova Scotia, been repaired during the calendar year 1929?
2. If so, by whom were said repairs effected?
3. Were said repairs made under contract let by public tender or otherwise?
4. What was the total cost of said repairs?
5. Were said repairs satisfactory and has the inspecting engineer pronounced or certified said wharf as fit for railway traffic?
6. Are railway cars allowed on said wharf at the present time?

Mr. ELLIOTT:

1. Yes.
2. By the Department of Public Works.
3. Work done by day labour.
4. $10,455.71.
5. Repairs completed and considered satisfactory. C.N.R. engineer has not yet inspected work from railway standpoint but expects to do so on April 21 or 22.
6. No.

CIVIL SERVICE ADVISORY COUNCIL

Mr. ERNST:

1. Were certain members of the civil service of Canada appointed last year to act as an advisory council on such subjects as superannuation, etc.?
2. Did such appointees make a report, with recommendations, on the subject of superannuation?
3. In view of the importance of the subject and the thousands of officials affected, can the government hold out any hope of some action being taken on said report at the present session?

Mr. DUNNING:

1. Yes.
2. A number of reports have been received from the committee by the treasury board.
3. On matters of administration, committee's recommendations have been given effect to; where legislation is involved, the introduction of appropriate amendments is under consideration.

OSTREA II

OYSTER FISHERY—DREDGER

Mr. ERNST:

1. Has the Department of Fisheries had built in the province of Nova Scotia a boat named Ostrea II intended for use as scallop dragger or dredge?
2. If so, who designed said boat?
3. To whom was the contract awarded to build said boat?
4. Who actually constructed said boat?
5. What motive power is used for said boat?
6. Who supplied the engines and accessories?
7. What was the total contract for said boat?
8. What sum or sums, if any, were paid or are payable for said boat or equipment: (a) to Stanley Mason of Tancook Island; (b) to the Lunenburg Foundry Company Limited; (c) to any other person or persons?
9. Who is the master of said boat?
10. Has the said boat undergone a trial trip or trips?
11. Has any report been made by the master to the department respecting the seaworthiness of said boat?
12. If so, to what effect?
13. Has said boat been accepted by the department?
14. If so, what is the name of the person recommending said boat for acceptance?
15. Are any expenses payable for said boat, and, if so, to whom and in what amount?

Mr. CARDIN:

1. Yes—for oyster development work.
2. Plans were prepared in the department, after examination of plans of a boat designed in light of experience for similar work by Atlantic coast oyster farmers.
3. Lunenburg Foundry Co. Ltd., Lunenburg, N.S.
4. Mr. Stanley G. Mason, Tancook, N.S.
5. 48 H.P. Gardner Semi-Diesel Marine Engine.

6. Lunenburg Foundry Co. Ltd., Lunenburg, N.S., and Busfield McLeod Ltd., Montreal, P.Q.

7. $11,743.

8. (a) Stanley Mason, nil; (b) Lunenburg Foundry Co. Ltd., $11,758.13; (c) Busfield McLeod Ltd., $1,443, Coulter and McKenzie Machine Co., $145.96; Pyrene Manufacturing Co. Ltd., $31.59.

9. Not yet appointed.

10. Yes.

11. Answered by No. 9.

12. Answered by No. 9.

13. Yes.

14. Boat accepted on report of board of steamship inspection.

15. Answered by No. 8.

PICTOU ISLAND, N.S.—PUBLIC WHARF

Mr. CANTLEY:

1. What is the present condition of the public wharf structure on the southwest side of Pictou island, Nova Scotia?

2. What repairs have been made to said wharf during past ten years?

3 How much money was spent on said repairs?

4. What was the character of the repairs?

5. What repairs, if any, will be undertaken during the present summer?

Mr. ELLIOTT:

1. When last reported wharf was in reasonably good condition.

2, 3 and 4.

Year	Expenditure	Nature of repairs
1920-21	Nil	Nil.
1921-22	$ 554 12	Renewing some planking on portion of wharf. Close-piling the southeast corner with native timber on both sides for a distance of 20 feet and filling with ballast.
1922-23	644 71	Renewing some planking, stringers and sheathing and placing about 150 cubic yards of ballast.
1923-24	997 37	Replacing some stringers, sheathing, crib logs, 10,000 feet B.M., of planking and 250 cubic yards of ballast.
1924-25	36 40	Minor repairs.
1925-26	Nil	Nil.
1926-27	Nil	Nil.
1927-28	3,635 79	Rebuilding outer portion of cribwork 64 feet long, 30 feet wide and 10 feet high, close fendered along 64 feet of face.
1928-29	Nil	Nil.
1929-30	Nil	Nil.

5. Wharf will be examined to determine what, if any, repairs are needed.

PICTOU ISLAND, N.S.—CABLE COMMUNICATION

Mr. CANTLEY:

1. When was cable communication first established with Pictou island, Nova Scotia?

2. What authority determined the place of landing of said cable on Pictou island?

3. How often since first laid has said cable been out of commission, and between what dates?

4. Has any recommendation been made by residents of Pictou island, or others as to the desirability of changing the location of the Pictou island shore end of the cable?

5. Is it the intention of the Department of Public Works to change the landing place of said cable to a point further eastward on the island?

Mr. ELLIOTT:

1. July 14, 1921.

2. Determined by the general superintendent of telegraphs, Department of Public Works, based on report as to the best location, submitted by Captain H. Peters, C.G.S. "Tyrian", Mr. A. B. McDonald, electrician, C.G.S. "Tyrian" and Mr. Walter S. Grant, government telegraph agent, Charlottetown.

3.

Interrupted	Repaired
March 29, 1922	June 16, 1922
January 17, 1923	September 23, 1923
April 2, 1924	May 26, 1924
September 24, 1924	November 19, 1924
March 11, 1925	April 23, 1925
June 15, 1927	June 17, 1927
July 25, 1928	August 24, 1928
December 12, 1929	March 29, 1930

4 and 5. No.

DOCTOR J. V. GRAHAM

Mr. QUINN:

1. Has Dr. J. V. Graham been dismissed from the position of port physician at Halifax, Nova Scotia?

2. If so, for what cause?
3. Who has been appointed his successor and upon whose recommendation?
4. Is he a practising physician and what are his qualifications?
5. Is he in receipt of a pension?
6. What is the salary of port physician at Halifax?

Mr. DUNNING:

1. No.
2. Answered by No. 1.
3. No appointment made.
4 and 5. Answered by No. 3.
6. $3,540 to $4,080.

POSTMASTER—BUSBY, ALBERTA

Mr. MAYBEE:

1. Who is the postmaster at Busby, Alberta?
2. When was he appointed?
3. Who was the postmaster prior to the appointment of the present incumbent?
4. Was he dismissed from office?
5. If so, for what reason?
6. Were there any shortages in his accounts?

Mr. VENIOT:

1. O. W. Elliott.
2. 15th October, 1929.
3. John Shoveller.
4. Yes.
5. Unsatisfactory service to patrons.
6. No.

CANADIAN IMPORTS

Mr. THOMPSON:

1. What was the value of imports into Canada in the years 1921 and 1929, of: (a) woollen goods; (b) agricultural implements; (c) saw-mill machinery; (d) mining machinery; (e) doors of wood; (f) flooring of wood; (g) furniture?

Mr. MALCOLM:

1. Canada's imports of (a) woollen goods, (b) agricultural implements, (c) saw-mill machinery, (d) mining machinery, (e) doors of wood, (f) flooring of wood, (g) furniture, for the years ended March 31, 1921 and 1929, were:

	1921	1929
	$	$
(a) Woollen goods	45,134,873	33,774,620
(b) Agricultural implements	11,758,491	40,292,899
(c) Saw-mill machinery	321,969	133,585
(d) Mining machinery	1,651,754	5,481,510
(e) Doors of wood	230,257	586,595
(f) Flooring of wood	No information available	
(g) Furniture of wood	1,686,159	2,207,172

CHRISTMAS ISLAND—MAIL CONTRACT

Mr. JOHNSTONE:

1. When does the mail contract between Christmas island and East bay, in the county of Cape Breton, expire?
2. Was the contract given by tender?
3. Who received the contract and for what amount?

Mr. VENIOT:

1. 31st March, 1931.
2. Contract originally obtained by tender and since renewed.
3. N. J. McIntyre, $1,298 per annum.

LEAGUE OF NATIONS—TARIFF TRUCE

Mr. ADSHEAD:

The latest Empire Parliamentary Report states, page 9, that at the recent Tariff Truce Conference the United States had a representative attending as an observer but that the dominions were unrepresented.
1. Did Canada appoint a representative?
2. If so, who was the representative?
3. Why was the Canadian representative not in attendance?

Mr. MACKENZIE KING:

1. No, none but European countries were members of the conference.
2. Answered by No. 1.
3. Answered by No. 1.

QUESTIONS PASSED AS ORDERS FOR RETURNS

TARIFF REDUCTIONS AND CANADIAN WHEAT

Mr. THOMPSON:

1. What reductions have been made in tariff since 1921, on: (a) woollen goods; (b) agricultural implements?
2. What amount of Canadian wheat was handled in 1927, 1928 and 1929, through: (a) Buffalo; (b) Midland; (c) Port McNicoll?
3. What amount of Canadian grain was exported through United States ports in 1929?

GRANTS TO PROVINCES

Mr. MacLAREN:

With reference to sessional paper 144, showing amounts by years which have been paid for governmental purposes by the Dominion government to the province of Manitoba since 1870; Alberta since 1905; Saskatchewan since 1905; and New Brunswick since 1867:
1. Do the provincial grants to the first three provinces named include the revenue derived from the sale of school lands?
2. What did these revenues derived from the sale of school lands amount to respectively?
3. What is the explanation of the increase in the Manitoba grant in 1912 and 1913?

UNOPPOSED MOTIONS FOR PAPERS

CONSTRUCTION OF BRIDGE—TORONTO

Mr. CHURCH:

For a copy of all letters, orders in council, telegrams, draft agreements, and all other

correspondence and documents between the government of Canada or any member thereof and the municipality of the city of Toronto and any official thereof, regarding the construction of a new bridge at Queen street, across the Humber river, and including an application under the Navigable Waters Protection Act for a permit for such an erection, and the replies thereto of the government and the terms and conditions proposed by the government herein.

JAPANESE IMMIGRATION

Mr. BLACK (Yukon):

For a return showing:

1. The treaty, agreement or arrangement either between Japan and Canada or otherwise whereby Japanese immigration to Canada is controlled, defined, limited or restricted.
2. The date the same came into effect.
3. The number of male Japanese, the number of female Japanese, the occupation of each, admitted to Canada since date, showing each year separately.
4. If the number of such entrants is limited, the number of each sex that may be admitted during the balance of the current year.

INTERNATIONAL PEACE

PERMANENT COURT OF INTERNATIONAL JUSTICE, OPTIONAL CLAUSE

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

That it is expedient that parliament do approve of the declaration under article 36 of the statute of the Permanent Court of International Justice, signed at Geneva in respect of the Dominion of Canada, on the 20th day of September, 1929, and that this house do approve of the same.

He said: Mr. Speaker, this resolution asks the approval of parliament to the signature of His Majesty's government in Canada of the optional clause of the statute of the Permanent Court of International Justice, which was signed on behalf of Canada at Geneva on September 20 of last year. I understand that the approval of the honourable the Senate has been given this signature, and that this optional clause also has been approved by His Majesty's government in Great Britain and has been signed by all the other dominions of the British Empire. As a charter member of the League of Nations Canada accepted the obligation set forth in article 13 of the covenant as follows:

The members of the league agree that whenever any dispute shall arise between them which they recognize to be suitable for submission to arbitration or judicial settlement, and which cannot be satisfactorily settled by diplomacy, they will submit the whole subject matter to arbitration or judicial settlement.

Disputes as to the interpretation of a treaty, as to any question of international law, as to the existence of any fact which if established would constitute a breach of any international obligation, or as to the extent and nature of the reparation to be made for any such breach are declared to be among those which are generally suitable for submission to arbitration or judicial settlement. For the consideration of any such dispute, the court to which the case is referred shall be the Permanent Court of International Justice, established in accordance with article 14, or any tribunal agreed on by the parties to the dispute or stipulated in any convention existing between them. The members of the league agree that they will carry out in full faith any award or decision that may be rendered, and that they will not resort to war against a member of the league which complies therewith. In the event of any failure to carry out such an award or decision, the council shall propose what steps should be taken to give effect thereto.

[Mr. Church.]

This article provides a description of classes of international disputes which are to be regarded as justiciable, that is to say, suitable for decision by a court applying rules of law. But it does not impose upon the members of the league any actual obligation to have such disputes settled in this manner. The original draft of the statute of the Permanent Court of International Justice contained a provision giving the court compulsory jurisdiction in the classes of cases set out in article 13 of the covenant. In the statute as adopted by the first assembly this was replaced by a provision which appears in article 36 of the statute. It is as follows:

The members of the League of Nations and the states mentioned in the annex to the covenant may, either when signing or ratifying the protocol to which the present statute is adjoined, or at a later moment, declare that they recognize as compulsory ipso facto and without special agreement, in relation to any other member or state accepting the same obligation, the jurisdiction of the court in all or any of the clauses of legal disputes concerning:—

(a) the interpretation of a treaty;
(b) any question of international law;
(c) the existence of any fact which, if established, would constitute a breach of an international obligation;
(d) the nature or extent of the reparation to be made for the breach of an international obligation.

The declaration referred to above may be made unconditionally or on condition of reciprocity on the part of several or certain members or states, or for a certain time.

The terms of article 36 have been regarded as admitting the making of a reserve or exception of any kind when accepting the compulsory jurisdiction of the court, because the jurisdiction of the court may be accepted "in all or any" of the classes of legal disputes enumerated.

It will be recalled that article 2 of the treaty for the renunciation of war as an

instrument of national policy, to which Canada is a party, provides that:

The high contracting parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be solved except by pacific means.

This treaty, however, does not provide any machinery for the pacific settlement of disputes. As regards disputes of a justiciable character, therefore, it is possible to consider signature of the optional clause as the logical consequence of the acceptance. Acceptance of the optional clause means that disputes falling within its terms will receive from the Permanent Court of International Justice a definite solution which the parties to the disputes are bound, under article 13 of the covenant, to "carry out in full good faith." If the pact of Paris is to be made fully effective, it seems necessary that the legal renunciation of war should be accompanied by definite acts providing machinery for the peaceful settlement of disputes.

His Majesty's government in Canada has given its careful consideration to this matter for some years past. The Canadian government notified the secretary general of the league in 1925, that it was ready to consider the acceptance of the optional clause.

It will be remembered that at the Imperial conference of 1926, the following agreement was reached by His Majesty's governments there represented:

A general understanding was reached that none of the governments represented at the Imperial conference would take any action in the direction of the acceptance of the compulsory jurisdiction of the permanent court without bringing up the matter for further discussion.

Such "further discussion" was begun on the initiative of the Canadian government in February, 1929. It was actively continued during the months preceding the tenth assembly of the League of Nations, and reached its conclusion at Geneva when Great Britain, the dominions, and India decided to sign the clause forthwith.

I think this outlines the material points with respect to this matter.

Mr. GEARY: Has that been accepted subject to the same reservations made by Great Britain?

Mr. MACKENZIE KING: Yes, the same reservations.

Mr. ADSHEAD: What are the reservations?

Mr. MACKENZIE KING: On September 20, 1929, five days after the Irish Free State had signed without reservations, representatives of Canada, the United Kingdom, Australia, New Zealand, South Africa and India signed the optional clause subject, mutatis mutandis, to the reservations set out in the following declaration:

On behalf of His Majesty's government in Canada, and subject to ratification, I accept as compulsory ipso facto and without special convention, on condition of reciprocity, the jurisdiction of the court in conformity with article 36, paragraph 2, of the statute, for a period of ten years, and thereafter until such time as notice may be given to terminate the acceptance, over all disputes arising after the ratification of the present declaration with regard to situations or facts subsequent to the said ratification, other than:—

"Disputes in regard to which the parties to the dispute have agreed or shall agree to have recourse to some other method of peaceful settlement, and

"Disputes with the government of any other member of the league which is a member of the British Commonwealth of Nations, all of which disputes shall be settled in such manner as the parties have agreed or shall agree, and

"Disputes with regard to questions which by international law fall exclusively within the jurisdiction of the Dominion of Canada,

"And subject to the condition that His Majesty's government in Canada reserve the right to require that proceedings in the court shall be suspended in respect of any dispute which has been submitted to and is under consideration by the council of the League of Nations, provided that notice to suspend is given after the dispute has been submitted to the council and is given within ten days of the notification of the initiation of the proceedings in the court, and provided also that such suspension shall be limited to a period of twelve months or such longer periods as may be agreed by the parties to the dispute or determined by a decision of all the members of the council other than the parties to the dispute."

As to the effect of the reservations contained in the declaration of signature:

The declaration follows the usual practice in being subject to reciprocity and including a time limit. This is fixed at ten years, but the acceptance continues in force after the expiration of the period, unless notice is given to terminate it.

The signature is also subject to ratification which will enable the question to be raised in parliament before the acceptance of compulsory jurisdiction comes into operation.

The declaration covers only disputes which may arise in the future. Past disputes and disputes relating to past events may be submitted to the court under a special agreement concluded in each case.

Three cases of disputes are excluded from the operation of the declaration of acceptance. As these have been given already, I will not repeat them.

This statement, I think, covers the matters asked for by my hon. friend and gives to the House the information it will wish to have before it at this time.

Hon. HUGH GUTHRIE (South Wellington): Mr. Speaker, speaking for myself, I do not think that this house should hesitate in passing unanimously this motion for the ratification of the revised protocol relating to the establishment of the Permanent Court of International Justice, and also speaking for myself I agree with the statement as to conditions and reservation on behalf of the Dominion of Canada which has been read to the House by the Prime Minister (Mr. Mackenzie King).

As I understand the reservations, they embrace three classes of cases. The first class in simple language, covers disputes between Canada and any other country, which countries may agree to settle such disputes in some other way than by an appeal to the permanent court of international justice. The second class covers questions or disputes between this Dominion and the motherland, or any other self-governing dominion of this empire. The third class covers disputes which may arise between this country and any other country upon matters within the jurisdiction of Canadian courts and which are being settled in the ordinary courts of Canada or of the other country involved. Unless the proceedings in such courts are suspended, in cases falling within these three classes there shall not be an appeal to the Permanent Court of International Justice. I consider these reservations reasonable and proper, and subject to them we are prepared to accept the compulsory jurisdiction of this court.

I think we all understand that the permanent court of international justice is an outcome of the Treaty of Versailles. It was constituted in the year 1920 with the formal approval of this government as well as the formal authority of some fifty other self-governing countries of the world. We have had almost ten years experience of this tribunal and as is the case with all human structures, from time to time some defects have been discovered which were not perhaps anticipated when the structure was originally set up. According to the belief of most people, the greatest weakness in this court has been the fact that until very recently one great country of the world had never given its adherence to such a tribunal, that country being the United States of America. One defect if I may so call it, has always existed in the League of Nations itself. It has been the fact that the United States never became a party to that league. Another weakness is the fact that another great power of the western world, Brazil, although originally a member of the league has subsequently withdrawn. In Canada we find ourselves in the position that while we are members of the league and have taken a very active part in its transactions, two other great powers of the western hemisphere, although signatories of the Treaty of Versailles are not now members of the League of Nations. That is undoubtedly a defect and a weakness in the League of Nations but in its wisdom the League of Nations has decreed that although certain nations have not become formal members of the league, it was still open to them to participate in the Permanent Court of International Justice. Until recently the United States had not become a member of this tribunal, but I think it was in the year 1923 that the President of the United States sent a message to the Senate recommending that that country become a party to the permanent court. After a year or two of consideration by the Senate of the United States, it was resolved by that body that, subject to certain reservations, the United States should give its adherence to the International Court of Justice. I think it was in the year 1925 that notice of that resolution was communicated to the League of Nations and the league very promptly took the matter into its most serious consideration. It is true that one of the reservations demanded by the United States was a matter of great importance and I have no doubt the consideration of that reservation gave a good deal of difficulty to the League of Nations at the time. But after the fullest consideration of the question by a body of men who might be called experts in the matter of international and constitutional law it was decided unanimously by the league that the main reservation insisted upon by the United States might very well be admitted, and the international court supported and maintained in every important respect, subject to a revision of certain matters pertaining to that court, chiefly matters concerning administration, procedure and the appointments of the members of that august tribunal. But the outstanding question was the question of reservations of the United States, and that question was satisfactorily adjusted.

There is, in the international court as at present constituted, power to give what are

known as advisory opinions in regard to certain international difficulties and complications. The court is not asked in every instance to pronounce a final judgment or decree which can be enforced by the League of Nations. It may be asked by the council of the league for what is called an advisory opinion. The United States took the ground and made it one of its express reservations, that where there was asked of the international court any advisory opinion which affected any rights of the United States or which in the opinion of that country affected any of its rights, the United States would not in such case be bound, but might withdraw its adherence from the court altogether. That question seems to have caused considerable difficulty, but a report of a committee of experts was made to the League of Nations, and the report which I read some time ago made by Sir Cecil Hurst seems, in my judgment at all events, to have overcome effectively any objection there might be to their particular reservation. It has now been decreed that the United States shall have the right to withdraw if it considers that its rights or interests are adversely affected in regard to any matter that is submitted to the international court for advisory opinion and that withdrawal by the United States shall not be considered an act of unwillingness or unfriendliness to any nation which has become a party to the international court.

We are all glad to know that in December last under these reservations the United States accepted the situation and ratified this protocol. It has been ratified by Great Britain. The final signature for which ratification is now asked by this parliament, was given by Canada at Geneva in September last. I believe all right-thinking people, not only in Canada but in all other civilized countries of the world, will agree that this is a step in the right direction and a tremendous advance in regard to the settlement of international disputes over anything which we have had so far in the history of the world. We all realize that this international tribunal has been set up as the creature of the League of Nations. It is a necessary adjunct, accessory to the League of Nations, a tribunal formed to settle peaceably international disputes and difficulties which might otherwise result in armed conflict.

I know it is the habit in some quarters in this country and in many other countries to criticize rather severely the action and functions of the League of Nations, to disparage its work and influence and to minimize the result of its efforts. I am glad to say for the parliament of Canada that since the inception of the League of Nations we have supported it most steadfastly and most loyally, and I trust, we may long continue so to do. As I said, in my judgment the League of Nations and the permanent court constitute a tremendous advance over anything which civilization has heretofore enjoyed.

I have had personally little actual experience or contact with that august body, although shortly after the war I had the honour of representing Canada at one of the conferences called under the auspices of the League of Nations in regard to financial matters. I remember attending their meetings and the great interest which I took in the meetings. That conference was held in 1920 at the city of Brussels and we had there representatives from thirty-seven countries. This conference followed almost immediately after the Great war, and what impressed one most at that conference was the ardour and enthusiasm with which the delegates undertook their work. We were in the midst of tremendous wreckage, tremendous financial wreckage. It was said at that time that Europe would never recover financially from the results of the war. This was one of the first conferences held after the war and there was about it a tenseness, an interest, that I have never seen in any other gathering which it has been my privilege to attend. You could see by looking into the faces of the delegates, their earnestness and their desire for the success of what was then more or less an experiment in regard to the League of Nations. The league has now had ten years' operation and while it may not have fulfilled all the desires of all peoples, it has performed an exceedingly useful work in this world during that ten-year period of reconstruction. It may not fulfil all our ideas; it may not fulfil all its own objects; but if it shall succeed in driving from the minds of men the fear of war and removing the burdens of war from the backs of weary multitudes, it will have accomplished for mankind the greatest thing that has been done in this world since Christ was born in Bethlehem.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, the resolution moved by the Prime Minister is one which appeals to me very strongly, chiefly because of the form in which the declaration, signed by Hon. Senator Dandurand at Geneva on September 20, 1929, is expressed. I refer particularly to the reservations therein made, without which it seems to me that it would have been inexpedient indeed that Canada, as a member of the British commonwealth, should have given adherence to the declaration. I remember some years ago reading a declaration which

was made by the British Foreign Office on November 27, 1924, to the secretary general of the League of Nations and which seemed to me at the time most commendable in view of the attitude taken by one of the recently formed dominions, the Free State of Ireland. That declaration was:

> His Majesty's government has consistently taken the view that neither the covenant of the League of Nations nor any conventions concluded under the auspices of the league are intended to govern the relations inter se of various parts of the British Commonwealth.

In accordance with the spirit of that declaration, which has been accepted by the government of Canada, and will undoubtedly be accepted by parliament in the resolution which is now before the house, Canada has declined to submit to the League of Nations disputes between the government of Canada and the government of any other member of the league which is a member of the British commonwealth of nations, all of which disputes shall hereafter be settled in such a manner as the parties have agreed or shall agree. That reservation meets with my most hearty commendation. I do not know whether the reservation would have been made if the Minister of Justice (Mr. Lapointe) had been representing Canada on that occasion, in view of his predilections in favour of sovereignty and independence, but nevertheless it is a reservation which when announced met, I think, with general approval throughout Canada. Only one dominion, the Irish Free State, declined to accept this reservation, and declared that the compulsory jurisdiction of this court, which is external to the British commonwealth, shall be invoked in all disputes between it and any other dominion with which it may have occasion to dispute. I am very glad to say that every other dominion has declined to follow the lead of the Irish Free State. Even South Africa, although declaring at the time that they rather favoured the attitude of the Irish Free State, declined to follow their example in the express terms of the declaration made on behalf of South Africa on that occasion. I am sure that the people of Canada as a whole are not disposed to agree that a foreign court, even the Permanent Court of International Justice, should have compulsory jurisdiction to decide disputes arising between the dominions inter se.

There is another reservation that I personally commend most heartily, and that is the reservation with respect to disputes with regard to questions which by international law fall exclusively within the jurisdiction of the Dominion of Canada. If I understand that language, and I trust it is broad enough, it is a reservation excluding from the jurisdiction of the Permanent Court of International Justice all disputes between the government of Canada and the government of any other country arising out of domestic matters which are within the jurisdiction of the parliament of Canada, such as tariff, customs and immigration matters. I trust that the language of that reservation is extensive enough to cover all of those matters.

I notice that at the tenth assembly of the league, at which this document was signed by the Hon. Mr. Dandurand on behalf of the government of Canada, a question was raised by a resolution submitted to the second committee of the league assembly as to whether members of the league were to retain exclusive jurisdiction with respect to immigration into their respective countries. A resolution was presented by a committee of German, Austrian and Italian delegates, and I notice that Mr. Suvich, the Italian delegate, remarked:

> The question of circulation of individuals is closely allied to the circulation of commodities, and the two should be treated together. Further, if the question is only concerned with the circulation of individuals in an economic sphere, the point should be clearly defined in drafting the proposal for reference to the economic committee.

I notice that in commenting upon that a leading British labour member in the Daily Herald of London remarks that common sense demands that all cramped nations shall have room for expansion, and then in a forecast of a world parliament which shall decide these matters emanating from the League of Nations he says:

> The incongruity of Australia with a population less than that of London will disappear when these international reforms are fully effected.

He adds:

> Then Canada, Siberia, South America and Africa will also accommodate untold millions.

So it was indeed satisfactory I think that this reservation was made by Canada in the face of a strong and persistent agitation at Geneva to the effect that the League of Nations, through its committees, should have jurisdiction over the economic life of the several members of the league, and should have the right to interfere in such domestic matters as the tariff and immigration. Therefore, when I read the reservations that had been made, I felt in entire agreement with the policy of this government, which I so seldom am able to support.

The attitude of the United States on this question is one of great, almost vital interest to Canada. Our external relations are largely concerned with disputes and differences aris-

ing between the two countries. If the United States fails to adopt the optional clause and the compulsory jurisdiction of the international court, there will be very few questions indeed to which Canada will be a party coming from time to time before that court for decision. The United States acceptance of the international court even under the reservation they have made in case they do not agree with any request for an advisory opinion, simply means that they retain the right to appoint a judge upon the court representing the United States, they retain the right to withdraw at any time if an advisory opinion is asked which they claim affects the rights and interests of the United States, and they also retain the right not to submit any question or dispute or difference which may hereafter arise to that court on which they will appoint a representative. From the discussions which from time to time arise in the Senate and press of the United States it seems to me doubtful indeed whether in any event the Senate of the United States will accept this optional clause conferring compulsory jurisdiction upon the court in disputes to which the United States is a party.

Mr. Elihu Root, who took such an active part in framing the amendments to the constitution of the court in order to secure the adhesion of the United States thereto, has suggested that the acceptance of this compulsory jurisdiction is necessary to put teeth into the court—those are his words, "to put teeth into the court;" while I notice that David Jayne Hill, formerly United States ambassador to Switzerland and subsequently United States ambassador to Germany, I think, who has taken an active interest in this discussion, suggests that the adhesion of the United States to the court without acceptance of its compulsory jurisdiction seems to him to be typical of the gentle art of learning to swim without going near the water, and in one of his erudite discussions of the matter, having so expressed himself, in order that his readers might have no misconception as to what he meant, he quotes the doggerel:

> Mother may I go out to swim?
> Yes, my darling daughter,
> Hang your clothes on a hickory limb
> And don't go near the water.

That seems to me to express fully the attitude of the United States with regard to the compulsory jurisdiction of that court, and unless they do accept the optional clause conferring compulsory jurisdiction on the court in matters to which the United States is a party, it will not prove, it seems to me, a very great advantage to us in view of our relations with the United States and of the difficulties and differences arising between us, which from year to year become more numerous.

So I say that Canada is keenly interested in the final decision of the United States with respect to its acceptance of this compulsory jurisdiction of the court, because, as I stated a moment ago, our international disputes and differences chiefly arise out of our political relations with the United States. Canada is a small nation of nine million people, and we are as keenly conscious of our political rights as any other of the small nations of the world. But we are neighbours to a nation of 120,000,000 people who are proudly conscious at the present time of their overwhelming financial and political power, and of their increasing military and naval power. I notice that the United States budget for naval expenditures for the past year exceeded the naval budgets of England, France and Italy combined, and that the annual expenditure of the United States for naval and military purposes is nearly two-thirds, if I remember correctly, of such expenditures by France, England and Italy combined. Her naval and military expenditures are larger than those of any of these great European nations. Therefore it is a matter of very considerable concern to us as to whether the United States having become a party to the Kellogg pact is now willing, so far as we are concerned, to adjust all disputes arising with us by referring them to the international court.

I have before me a quotation from a recent article written by the ex-president of the United States, who now doubtless feels at liberty to speak more frankly than when he was the executive head of that great republic. In a formal contribution to a Philadelphia journal for April he says:

> No sure way has ever been found to prevent war. Opinions may differ as to whether nations with adequate military forces are more likely to enjoy peace than those which neglect their defences. In the last analysis, this is a question of dealing with human nature. Every one knows that if there were no police our cities would be ransacked within twenty-four hours.

Then he adds:

> I very strongly suspect that if there were but one nation in the world supplied with an army and a navy, and to make the supposition as strong as possible, if that nation were our own, it would not be long before the other nations had been overrun.

He evidently understands and appreciates public opinion in the country over which he presided during two terms. He continues:

> It seems to me that it is almost a moral certainty that we should find some excuse for taking that action.

Mr. BOURASSA: My friend forgot to give the name.

Mr. CAHAN: Ex-President Coolidge. He proceeds:

> But when we know that other countries have a considerable ability to defend themselves it is human nature for us to regard them with a more wholesome respect and be more careful about violating their rights. If we reverse this picture we can likewise conclude that if others know we are prepared to defend ourselves they will be less likely to commit offenses against us.

We are in the unfortunate position that we are absolutely unable either by military or naval forces to resist any aggression on the part of the United States. We have to live under that disability. I had hoped 50 years ago that by this time we might have acquired some twelve or fifteen million population, because I felt sure that twelve or fifteen million people of a northern race, born and bred in a climate such as ours, would be fairly able, especially during our winter season, to resist any aggressive action on the part of the United States.

Mr. GARLAND (Bow River): Does the hon. gentleman apprehend offensive action by the United States?

Mr. CAHAN: I am repeating what the former executive head of the United States said with regard to the disposition of the people over whom he presided. On the other hand, our great safety lies in accepting the compulsory jurisdiction of this court. It would be very satisfactory to us at this time if our great neighbour should accept in like manner that compulsory jurisdiction in all matters of dispute or difference which might hereafter arise between these two countries. It is certain that if the United States would now accept this compulsory jurisdiction we would have greater confidence in the permanent continuance of peaceable relations between this country and our southern neighbours.

As to the second reservation I hope the Prime Minister (Mr. Mackenzie King) will assure us that it is the intention of his government to exclude from the jurisdiction of the court all disputes and differences which may arise between us and other nations with regard to tariff and immigration matters.

Mr. MACKENZIE KING: That is my understanding of it, yes.

Mr. CAHAN: Because whatever our differences of opinion may be with regard to the future fiscal and tariff policy of this country—

Mr. MACKENZIE KING: We have enough trouble within our own borders over tariff matters

Mr. CAHAN: Quite so. I think that this country is not prepared at the present time to surrender to the dictation or decision of a foreign court the fiscal independence of the country which we obtained after great strife from Great Britain in 1859.

Mr. WOODSWORTH: May I ask the hon. gentleman if he has in mind any other questions which come under the exclusive jurisdiction of Canada besides those of immigration and tariff?

Mr. CAHAN: Those were the ones that impressed me particularly. I have no doubt that there are other questions arising out of labour conditions which are sometimes deemed international in their character, and as they come to the front this country will assert that it has independent and complete jurisdiction with regard to these labour matters. I refer to the hours of labour, terms and conditions of employment and matters of that nature. I have no doubt they all come within the same purview. I have noticed with alarm the recent efforts of the economic committee of the League of Nations to attempt to frame a common economic policy for all members of the league; I do not believe that those efforts will meet with general approval throughout Canada. Countries which have for more than a century been developing their own industrial institutions and whose increasing prosperity depends not upon the development of their own internal resources, as we do in this country, but upon the extension of their foreign markets for their manufactured products, are prone to regard less highly industrialized countries such as Canada as being chiefly destined by Providence to produce raw materials for the maintenance of foreign industries, and to receive in compensation therefor foreign manufactured products for domestic consumption in Canada. I noticed at the economic conference, and in the discussions which have taken place from time to time at Geneva in respect thereto, that this doctrine as expressed at the economic conference has become more prevalent in certain countries of Europe which need an outlet for their manufactured products in such countries as Canada. I think it is well that this government has taken this action and I wish to commend it for preserving by this reservation the independent direction and control of our own economic life, and the independent control of our own fiscal autonomy which we obtained so long ago and which we could not afford under present conditions to surrender to the League of Nations or to any committee of the League of Nations. Therefore I can only say that I heartily commend this declaration,

and even more heartily than the declaration itself I commend the reservations therein contained which are absolutely necessary to maintain our undisputed control over inter-Imperial relations inter se and our economic and fiscal independence.

On the other hand I fail to see how we in Canada, living alongside the United States, can have complete confidence in the efficacy of the Kellogg peace pact which has been accepted by the society of nations, unless on mature reflection they are prepared to renounce war as an instrument for the promotion of national policy, and to accept the compulsory jurisdiction of this international court upon which they will be represented, whether or not they submit any disputes to its jurisdiction.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I desire to say that I am pleased that for once my hon. friend from St. Lawrence-St. George (Mr. Cahan) is satisfied with the action of the present government.

Mr. GARLAND (Bow River): Does it not cause the hon. gentleman to doubt the soundness of the action?

Mr. LAPOINTE: No, it is because I am so sure that the action is sound that I am still supporting it.

Mr. GARLAND (Bow River): I am afraid.

Mr. LAPOINTE: I can understand why my hon. friend should be afraid. I shall state a slight qualification as to my own approval of the reservations as they are, and I shall refer to that in a moment or two. This addition by Canada to the optional clause of the statute of the Permanent Court of International Justice is I submit the necessary and logical sequence of having taken part in the pact of Paris in 1928. In that pact all the signing nations declared that war would be outlawed, and they would shape their national policies accordingly. That was signed in 1928. When I referred to that pact during the following session of parliament I said that its chief value would consist more particularly in the steps that would follow. If war is to be discarded as a means of solving international difficulties there must be something to take its place, and arbitration, the submission to a world court of conflicts and difficulties between nations, is the necessary and logical method which should replace that of war. It is the organization of peace. War always has been organized; the world is now trying to organize peace, and this must be done not only by words and speeches, but by deeds. This declaration, binding ourselves to the decisions of the Permanent Court of International Justice in any difficulties which we may have with other nations which are also members of the league or which have adhered to the international court of justice, is the logical step which should follow. Justice does not mean that nations should be judges in their own cases. They cannot be impartial; there must be a higher court, a more impartial tribunal, and nations as well as individuals must be willing to accept the decisions of that higher tribunal whether or not those conditions are favourable to them. It is sometimes said that a court of this kind may make mistakes, that its decisions may not be always on the side of right. Possibly that may be so, but surely it will be admitted that nations stand a better chance of having right prevail if a tribunal of this kind undertakes the question rather than if a resort is had to arms. Surely bullets and machine guns are poor judges in matters of international law and international difficulties.

I am pleased to say that in this instance Canada has assumed leadership. In 1925, when the Prime Minister, speaking for the government, notified the other nations of the commonwealth, as well as the League of Nations, that we did not consider that we should accept the protocol which had been accepted by the League of Nations at the previous session, he stated at the same time that he was in favour of the arbitration of international difficulties. This stand has been consistently taken by the government of Canada ever since, and at the Imperial conference of 1926, when the question of adhesion by the various parts of the British commonwealth of nations to that optional clause and the international court of justice was being considered, the Canadian delegates stated very clearly that they were in favour of immediate adherence to that optional clause. It is true that at the same time we agreed to postpone our adhesion until the other nations of the commonwealth could further consider the matter and reach a decision, but in a British official white paper issued in December last, the agreement which was inserted in the report of the Imperial conference in 1926 is given as follows:

> A general understanding was reached that none of the governments represented at the Imperial conference would take any action in the direction of the acceptance of the compulsory jurisdiction of the permanent court without bringing up the matter for further discussion.

Further, the white paper adds:

> Such "further discussion" was begun on the initiative of His Majesty's government in Canada in February, 1929.

We are pleased that all the other nations of the empire have accepted the Canadian viewpoint in this matter, and the fact that the British Empire has signed this optional clause has had a great effect upon the other nations of the world. As a matter of fact, up to July of 1929 this optional clause had been signed by about twelve or fifteen members of the League of Nations. The example of the British commonwealth of nations led many other countries, even while the assembly of the league was meeting, also to accept the optional clause; such important nations as France, Italy, Czechoslovakia and many others have accepted this method of arbitration.

Now I should like to say a word with regard to the reservations which have been made. They are mainly of three classes, as has been stated. The first reservation is when we have agreed to some other method; there are treaties in which there is a clause which mentions how the difficulties in the interpretation of the treaty or the carrying out its provisions will be submitted to arbitration. The second reservation is that it should not apply to the relations of the nations of the British commonwealth, but before speaking further on this reservation I should like to refer to the next one, which excepts all matters of a domestic nature. There can be no difficulty in understanding that any matter which is purely domestic cannot be submitted to the international court of justice by another country.

With reference to the difficulties which may arise between the nations of the commonwealth, my hon. friend said—in a jocular way, I know—he was agreeably surprised that with my well-known ideas about sovereignty and independence, I should accept this reservation. I certainly do accept it. My friend is not using appropriate adjectives when he qualifies my stand in these inter-imperial and international matters. Let him stick to the good words "equality of status." That is my position, equality with all the other nations of the empire; that is what I desire to uphold; that is what I stand by, and that is what I am willing to stand by in my public life in Canada. But it is equality.

Mr. GARLAND (Bow River): How can there be equality within an empire?

Mr. LAPOINTE: The hon. member is playing with the words "within an empire."

Mr. GARLAND (Bow River): No, I am sincere in putting that question.

Mr. LAPOINTE: I am using the words as meaning a commonwealth of nations. The present British Empire is not to be associated with the primary meaning of that phrase. If we take the real meaning of the word "empire" it would apply only to those colonies of the motherland over which the United Kingdom exercises an imperial control. There is no such control exercised under the commonwealth. I am not sensitive about words, and I am quite willing to use "the British Empire" without any scruples because we all know the actual meaning.

Mr. BOURASSA: The imperial teeth have been taken out.

Mr. LAPOINTE: I did not know that I had been making any assertion—

Mr. BOURASSA: I mean, collectively speaking.

Mr. LAPOINTE: I would not like any hon. member to think that Canada agreed to the wording or the drafting of the acceptance by the United Kingdom or any other country in the commonwealth. This declaration of acceptance has been signed by all the nations of the empire, except the Irish Free State.

Mr. CAHAN: The cooperation and co-understanding is quite apparent.

Mr. LAPOINTE: Certain words and sentences were eliminated at the request of the Dominion of Canada, and Canada agreed to the elimination of certain words and sentences at the request of other countries of the commonwealth, and the result was a document which could be accepted by the British commonwealth as a whole. All this took some time, and our Irish friends who are usually impatient and anxious for speedy action, were in favour of accepting without any reservation, and they did so prior to an understanding being reached by the other countries. No hon. member should think that the Irish state, by doing that, has done anything which might be branded as disloyal; not at all.

I have had the privilege of sitting at different conferences with members of the Irish Free State, and there is no delegate more anxious to find a common ground which is both honourable and acceptable than is the delegate from the Irish Free State. I remember one conference where a delegate, during a prolonged discussion, made a certain reference to the keenness of the Irish Free State, and expressed some fear as to their motive. One of the Irish delegates replied, "Gentlemen, we are members of the only government in the empire which has actually fought and taken up arms to remain under the British crown."

Mr. KAISER: To what incident had that reference?

Mr. LAPOINTE: They have had a real civil war in Ireland. Surely the hon. member knows that, and surely there are people in that country who have fought to remain under the British crown. Those people are the leaders in Ireland to-day, and they are directing the destinies of that state. The Irish Free State is one of the jewels of the British commonwealth of nations, and I am always pleased and proud to sit in any conference with delegates from that state.

If those conflicts or difficulties which may arise between the nations of the commonwealth are excluded from settlement by the Permanent Court of International Justice, there must be something to take the place of that court, and this necessity is receiving the attention of public men in Great Britain and other countries of the commonwealth. This matter was raised at the conference which I attended a few months ago, and will be discussed at the next Imperial conference. If difficulties between Australia and Canada should arise, and such may be the case; if difficulties between Canada and the mother country should arise, or between the mother country and Australia, or between Australia and New Zealand, and they cannot be submitted to the Permanent Court of International Justice—we are all parts of a commonwealth, united by a special bond and under one crown and king—then there must be some body or tribunal, whatever it may be called, to which those difficulties should be and must be submitted. I hope no one will be scandalized when I say that the Privy Council as at present constituted could not fill this need; it is not such a tribunal as is the court of international justice. All the member countries of the League of Nations elect representatives to that court, and it is generally recognized that there should be some tribunal to which difficulties between the nations of the commonwealth could be submitted. That body could be of a permanent nature with judges selected by the various nations of the commonwealth, ready to sit at any time when the necessity arose. It has been suggested that it be merely an institution which would be available when the need arose, every nation in advance having submitted a list of names forming a panel out of which a certain number should be selected for every special case that might come up. This is a very important subject which ought to receive consideration everywhere, and I am sure that on this subject, as on all other matters, the common sense of the various nations of the commonwealth will see to it that a proper solution is found. I apologize for having spoken as long as I have as it was not my intention to do so.

Let me repeat in conclusion that I am pleased with the work done by Canada in those international matters in the League of Nations, the Peace pact and the international court of justice. My hon. friend regretted that the United States of America has not yet accepted the optional clause of the statute of the Permanent Court of International Justice. We must be pleased indeed that so much progress has been made that they have joined the international court of justice. The mere acceptance by the United State of this tribunal, which is really the creation of the League of Nations, is indeed a great achievement.

Mr. CAHAN: But the United States have not agreed to submit anything to this court which they have agreed to constitute.

Mr. LAPOINTE: It is agreed that they accept the court. The rest will, I hope, come. From the beginning we have not waited for the United States; we were there before they were there. We have been among the first members of the League of Nations. We have cooperated in every move that has been made. We have been parties to every step that has been taken and it is a testimony to us that our great neighbour to the south has already accepted some of the things which we were among the pioneers in creating. This acceptance of the optional clause of the international court of justice statute is, I repeat, a great achievement, I think it will be considered as such and it will certainly be an important step in the progress of the world and the history of mankind.

Mr. KAISER: I think the hon, member confused me somewhat in regard to the incident about which he spoke. Did I understand him to say that the Irish people said that they were the only ones who took up arms to retain their position within the British Empire

Mr. LAPOINTE: I was speaking of certain members of the present government of the Irish Free State.

Mr. KAISER: I understood the hon. member to say they stated that Ireland was the only state which took up arms to maintain itself within the British Empire.

Mr. LAPOINTE: No.

Mr. KAISER: Then I apologize. But what about Arnold and Montgomery who many years ago tried to take Quebec and upon whom the French Canadians poured forth their volleys of pepper?

Mr. LAPOINTE: I was not speaking about 150 years ago. I was speaking of what has happened in recent years.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, I heartily approve the steps taken by the government in this regard. It is in conformity, first, with the declarations of their own members and, more broadly, I think it is in conformity with the tendencies of the Canadian people for many years past. In several past instances, which I am not going to discuss because it would take too much time, Canada has indicated that she relies upon the principle of arbitration to settle most of her difficulties with the United States, to which the hon. member for St. Lawrence-St. George (Mr. Cahan) has alluded especially. I am glad the hon. member brought that point up, because undoubtedly, as he says—and this should be stated oftener—practically the whole of our international situation is governed by our neighbourhood to the United States. It is preposterous to imagine that Canada could, in international affairs, assume an attitude in violent contradistinction to that taken by her only neighbour on the continent of North America. It is mere delusion to imagine that we could stand up against the United States on any international issue, either as an isolated nation or even counting upon the theoretical support of the British Empire.

My eyes were first opened with respect to this situation by a man whose authority, or at least whose devotion to British institutions, will not be questioned in the house. I refer to the late Sir Charles Tupper. When leading the opposition in parliament from 1896 to 1900, he stated, with regard to the Alaskan boundary affair, that the result of his many years' experience in dealing, either in his capacity as High Commissioner for Canada in London or as a member of the Canadian government, with affairs in which Canada on the one hand and the United States on the other were interested, the unfailing attitude of the British government was to side with the United States and against Canada. This he explained, and history explains it still more fully, without the necessity of resorting to such denunciations of British policy as at times have been resorted to, even by Toronto judges writing books to denounce British diplomacy from beginning to end. In our state of colonial infancy, with that disposition of mind of the spoiled child, always expecting that his father will stand by him in all his impertinences, we imagined that every time we had matters at issue with the United States, the power of England would be available if necessary to sustain a war in our defence. But the British statesmen who are responsible for the affairs, the safety, the trade and commerce, and the foreign relations of the United Kingdom and of the hundreds of lands which come under the jurisdiction of the British government and involve its national and international responsibility—British statesmen cannot take that one-sided view. Soon after the secession of the American colonies to the south of us, they realized that under any circumstances war between the United States and Great Britain was preposterous; they felt that, as the Minister of Justice (Mr. Lapointe) has said generally,—but more especially is it applicable to this case—a war between the United States and Great Britain could not settle anything, and still less as regards Canada. Therefore, I have always held the view, and stated it in public, that even in those instances where we felt rather irritated at the attitude of the British government, the best service which the British could render us was precisely to avoid war with the United States.

Putting the question on more general ground, it is a significant feature of this movement in favour of arbitration that in Europe it has first been taken up and propounded—it is now on the point of becoming slowly but surely the basis of international relations—by small nations; and it has been first taken up on the continent of North America by the weaker of the two nations which practically divide between themselves that continent. The acceptance of the principle of arbitration is the only safeguard of small nations as against the ambitions, the greediness, or simply the instinctive power of domination of large nations. Therefore, in agreeing to this further measure of arbitration, the government has rendered a service not only to Canada but to all small nations within or without the British association of nations—yes, a service to all, and the most effective service that they can render to international justice and international peace.

Of course, there is still plenty of scepticism. People say: It is all very well to declare in favour of arbitration, to pass resolutions, to have protocols voted at Geneva, and to have the adhesions of parliaments; but what will that amount to when a great nation declares war? They quote as instances the attitude of Italy towards Greece, or of Poland towards Lithuania, and the failure of the League of Nations to prevent those acts of international brigandage. Well, of course, things of

that kind will happen, as they have happened in the past. Before tribunals of justice were established in the various countries, before savages, in the formation of nations, agreed to resort to some form of adjudication to settle individual quarrels, it took some time. For quite a while blood was still shed and heads were knocked off before the principle of justice as applied to individuals prevailed over the practices of barbarism; and it will undoubtedly take some time before the so-called Christian but largely dechristianized nations accept and adopt the principle of arbitration, instead of resorting to war if they feel that they are powerful enough to overcome their opponent. Of course, it will take time; but is that a reason why the principle should not be propounded? Is that a reason why small nations especially, that are not in a position to rely upon force of arms, and who should not, if their pretensions to higher civilization are true, rely on the force of arms even if they had the power in their hands—is that a reason, because it takes time, or because you may still quote this act or that act of this or that government against the acceptance of the principle, that we should not preach it?

Therefore I think it is in conformity with the better spirit of the age and with the true interests of Canada that we should uphold by all means that principle. It is especially true having regard to our relations with the United States. I remember one day at a meeting somewhere in the state of New York where representatives of various European and American nations had gathered together to discuss international affairs, an American gentleman—I think he was a member of the Department of State, but it does not matter—a highly cultured man, quoted as an instance of the possibility of gradually bringing the American nation to take a broader and more generous view of international affairs, the difference between the United States of America and the republic of Colombia with regard to the Panama canal. Of course, all fair-minded Americans admit now that that was an act of high-handed piracy, if I may use the word, on the part of the United States government. The delegates of that small republic, Colombia, went to Europe, or to the other South American countries and endeavoured to raise a feeling of animosity against the United States. Naturally it did not materialize. Then, one or two or a few of them got the idea that if they came right straight to the United States and appealed to their sense of justice and generosity, they might obtain a different result, and they did obtain a different result; for after a few years the congress of the United States passed legislation to compensate the Republic of Colombia for the dispossession to which they had been subjected by the government of the United States in that matter. In his discussion of that situation, the speaker concluded with this thought, that the spirit of justice is inherent in the mind of the average American just as it is in the mind of all normal human beings; but in international matters they had been so long accustomed to consider themselves as being so completely masters of the continent in which they live that they had never realized that there was such a thing as equality of rights between them and other nations. But now, and since the war especially,—perhaps this is one of the redeeming features of that horrible slaughter, that fit of human craziness which lasted four years—the Americans, and the British, and the French, and the Germans, all peoples that have made great sacrifices in the war, realize that no one nation in the long run is capable of ruling the world, and that therefore as between all nations, weak and strong, populous or less numerous, there must be found some means of deciding issues according to justice, according to equity, according to the facts as presented before an impartial body. That feeling, I sincerely believe, is growing in the United States, and we should do everything we can to encourage it because we are more interested than any other nation on earth in going, so to speak, in advance of that evolution of thought in the United States.

Now, let us consider the case of the nations composing what the Minister of Justice, after others, calls the commonwealth of nations. Of course, I believe, with others also, that the word "commonwealth" is a misnomer, just as the word empire was a misnomer; and in this case it is not my hon. friend from Bow River (Mr. Garland) who suggests to me the idea; it was expressed some twenty years ago by such a pillar of the British Empire as Lord Milner. The word "commonwealth", as applied to the aggregation of the various nations associated under the British crown, is a greater absurdity even than the word "empire". Nevertheless, words are not much. The fact remains that at present there are several nations that acknowledge as their sovereign the sovereign who presides nominally over the affairs of England. It is a new form of personal union such as existed before the act of 1707 between Scotland and England, and which, in later years, existed between England and Hanover when the elector of Hanover was at the same time king of Great Britain. It is a new form of personal union under which—not altogether in fact yet, but in principle,

as proposed by the Imperial conference of 1926, and as admitted even now by such upholders of the old imperial system as Professor Keith, for example—the advisers of the crown in Canada are absolutely independent of the advisers of the crown in Great Britain, and the king or his representative in Canada, or Australia, or South Africa, has to govern by the sole advice of his ministers in each country.

Well, if this is true—and it ought to be made truer and truer every day—then surely there must also be found some means of arbitrating between those nations, equal in right, equal in international status, as has been found necessary between the whole of those associated British nations and foreign countries. In that respect I am glad to hear the Minister of Justice state that at the next Imperial conference this idea of arbitration as between the various British self-governing nations will be advanced a step further. In this also the present or any other government will have the full support of all true Canadians; because even should there be a change of government—

Mr. GUTHRIE: Hear, hear.

Mr. BOURASSA: —should there be this year or twenty years hence a change—

Mr. GUTHRIE: No, this year.

Mr. BOURASSA: —there is one thing sure, and it is this, that no government of the future, whether it is called Tory, Progressive or by any other name, will be powerful enough to stem the tide of self dignity and self conscience of the growing Canadian nation.

How illuminating are the reflections that were made last year at the Imperial conference, or later by commentators on the work of that conference, about the application of the Colonial Laws Validity Act. It is considered now as the last outstanding obstacle against the true operation of self-government in the various dominions. When that piece of legislation was passed, only sixty-five years ago, it was not only considered, but was in fact a long step in advance of the principle of self-government as then understood; and to-day the sentiment, and the facts, are just as much in advance of what sixty-five years ago was an advance on what had happened previously. Which shows once more, sir, that under all forms of government the true grandeur of British institutions is that there is no finality in their growth and their development.

That is the one feature which holds together peoples of different racial origin, peoples who in periods of their history have suffered at the hands of British representatives, who have been forced to resist for years and for centuries the spirit of arrogant domination as displayed by some representatives of the British crown and of the British race. It is the one feature which, in spite of all those past difficulties and struggles, binds us to British institutions, because we find in them a perpetual spirit of growth, of progress, of expansion, which makes them bigger than the British races, bigger than the little islands of northern Europe, which make them big enough for all right-thinking nations who want to exercise their rights as British citizens, as well as discharge their duties as such, to live under those institutions with respect for themselves and for others. That perhaps explains the fact that the Minister of Justice endeavoured to make my good friend from Ontario (Mr. Kaiser) understand as regards Ireland.

As the most ancient and genuine representative of Sinn Fein Ireland in this house, I am bound to take some exception to what the Minister of Justice said. The very able gentlemen who rule the Free State of Ireland to-day did not fight to maintain the authority of the British king in Ireland. No. You could not expect them to do that. The Minister of Justice has spoken of the impatience of the Irish. Well, they had to wait six centuries before they could hold their own. It is not for the British king that they have fought, but for maintenance of the treaty with Great Britain. As the representatives of a nation impoverished, ruined, cut in half by starvation, persecution and all forms of foreign domination for centuries, they decided to enter into a treaty with the nation that dominated them, that persecuted them for centuries, but a nation which at last opened its eyes, a nation whose slow-growing process of respect for others has brought it at last to forget its ambitions of the past. The Irish responded generously and loyally to the offer of truce, to the offer of peace, to the offer of alliance on the part of the British government. They accepted the offer, and now look upon the king of England, not as their king because he is king in England, but as their king as he is the king of Canada, the king of Australia, the king of South Africa,—a country also composed of a brave race which fought for many years against British domination, but which is as proud as the Irish and the French-Canadians to be in the fraternity of British nations, not, however, in any subservient state and not looking upon the king as the emblem of foreign domination, but on the contrary, as the head of their own institutions. It is not on account of loyalty to the

king of England—there is no reason for Ireland to be loyal to the king of England—but it is on account of loyalty to Ireland, to their own plighted word, that the Irish government through a cruel civil war have struggled to make their word good, and fought to make the principle of equality acknowledged by their own people as they have succeeded after six centuries of resistance to arrogant domination in having the dominating partner acknowledge also that spirit of equality. And it is no wonder, sir, if the representatives of the Irish Free State have also been pioneers in advocating the principle of arbitration, and if they are a little more concerned than we are in making it clear that they are not under even the most indirect obligation to England or any other part of the empire.

There, sir, is another example of the true spirit of conciliation. There is another example of what the true spirit of partnership and arbitration can accomplish. Who would have thought twenty years ago that the people of England and the people of Ireland could have come to such terms as those upon which the two nations live together at the present time? I will not say they live in amity, we cannot expect that so soon; but they live in loyal partnership. They are loyal first to themselves; they are loyal to the people with whom they have formed those terms of partnership and they have formulated a principle and a practice of arbitration which stands as an object lesson given to the various associated nations of the so-called British commonwealth and to the rest of the world.

I hope to live long enough to see this government or any other government representing the people of Canada, when differences arise between us and any other nation of the world, whether they be black, yellow or white, or with our relatives who call themselves British, stand by the principle of arbitration and conciliation, and not by the brutal practice of war and bloodshed.

Motion agreed to.

ST. LAWRENCE WATERWAY

On the orders of the day:

Mr. T. L. CHURCH (Toronto Northwest): I have a question which I wish to ask the Prime Minister. I do not know whether he will be in a position to answer it to-day or not. The question is:

1. Is the government yet in a position to announce the progress of negotiations for the St. Lawrence waterway: (a) with the United States as to a treaty; (b) with the governments of Ontario and Quebec re distribution of power?

2. Has the attention of the government been called to an American project for the Oswego and Erie barge canal to take the place of the St. Lawrence waterway as an all American route, which project has passed the harbour and rivers committee of the House of Representatives at Washington?

3. What steps will be taken by the government to protect Canadian interests and to insure the carrying out of the St. Lawrence waterway and its improvement from a navigation standpoint?

Right Hon. W. L. MACKENZIE KING (Prime Minister): As the hon. member is no doubt aware, there have been conferences between the premiers of the provinces of Ontario and Quebec and representatives of the Dominion government with respect to power on navigable waters, with a view to coming to agreement, if possible, between the provinces and the Dominion on phases of the question which it has not been found possible to settle satisfactorily by reference to the courts. The purpose of the conferences amongst other things was to eliminate from the region of uncertainty one factor of importance which must be taken into account in any subsequent negotiations with respect to the development of the St. Lawrence waterway. Up to the present I have not had the opportunity to make any announcement as to the outcome of the negotiations, but I hope that after the Easter recess it will be possible, with the consent of the provinces, to make known what I imagine will be the final arrangement between us. I trust it will go to the length of removing what has hitherto been one difficulty, and that progress will thereby be indicated in the matter to which my hon. friend has referred.

As to the bill before congress to which reference has been made, I understand it relates to the taking over by the United States government of canals that are at the present time in the possession of the state of New York. We are fully informed as to what is proposed in that regard. We have viewed the matter as one of domestic concern so far as the United States is concerned.

CANADIAN NATIONAL STEAMSHIPS

On the orders of the day:

Hon. HUGH GUTHRIE (South Wellington): May I ask the government when we may expect the annual report of the Canadian National Steamships. The railways report was tabled yesterday but the report of the merchant marine has not been brought down.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I shall bring the question of my hon. friend to the attention of the Minister of Railways (Mr. Crerar).

PRIVILEGE—MR. CAMPBELL

Mr. M. N. CAMPBELL (Mackenzie): I wish to refer to an editorial which appeared in this morning's edition of the Citizen. It deals with the now historic dictum of the Prime Minister (Mr. Mackenzie King) that no unemployment relief will be given to a Tory government; and then it makes the following reference to myself:

> One of the Saskatchewan members on the opposition side, Milton N. Campbell, commented in rather an illuminating manner on the Prime Minister's statement. He assumed that under such circumstances, no federal relief would be given to the province of Saskatchewan. The present government in Saskatchewan is Conservative, but it is endeavouring to hold the United Farmer and Independent support in the legislature by describing itself as cooperative. Mr. Campbell classed it with the Tory governments when he said last Friday that Mr. Mackenzie King's position would mean the depriving of Saskatchewan of any relief. Mr. Mackenzie King would describe Premier Anderson as a Tory. Mr. Campbell refrained from similarly identifying him but apparently admitted that he is in the Tory class without saying it in so many words.

In this article we have an editor uttering a deliberate half truth in order to make political capital. The reason I protested against the Prime Minister's statement was not because I considered the government of Saskatchewan a Tory government, but because the Prime Minister specifically classified it as one of the governments from which he would withhold unemployment relief. May I quote the statement of the Prime Minister as it appears at page 1227 of Hansard:

> But hon. gentlemen opposite say to us: Now that you have got the country into this favourable position, we ask you to take part of the moneys that you may raise in taxes from the people of this Dominion as a whole, and give it to other administrations to spend, and to whom, if you please? To a Tory government in the province of British Columbia; to a Progressive government in the province of Alberta; to a Tory government in the province of Saskatchewan; to a Progressive government in the province of Manitoba.

It was this statement to which I referred when I protested against such treatment being meted out to my province. The specious argument of the Citizen ignores altogether this part of the Prime Minister's statement.

VEHICULAR TRAFFIC ON DOMINION PROPERTY

Hon. J. C. ELLIOTT (Minister of Public Works) moved the second reading of Bill No. 21, to provide for the regulation of vehicular traffic on Dominion property.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

[Mr. Mackenzie King.]

On section 1—Power to make regulations.

Mr. ELLIOTT: As some of the hon. members wish to know the object of this bill, may I say that section 1 authorizes the governor in council to make regulations governing the traffic on parks, boulevards and roads owned by the federal government, over which there exists no public right of way.

Mr. CAHAN: But you do not say "federal government." You do not limit it to that.

Mr. ELLIOTT: We say "which are situate on the property of His Majesty."

Mr. CAHAN: Can you not limit it to His Majesty's property in the right of the Dominion government?

Mr. ELLIOTT: That is the intention, I may say. The bill says "situate on the property of His Majesty."

Mr. GUTHRIE: I think in this case that would be implied to mean on land over which the federal government have jurisdiction.

Mr. ELLIOTT: I would say to my hon. friend, as has been suggested by the hon. member for South Wellington, that this government would not be able to legislate with regard to property of His Majesty which is not owned in the right of the Dominion.

Mr. CAHAN: I dislike these implications; when you want to say a thing, say it. The English language is plain enough to say anything which you intend.

Mr. ELLIOTT: I think it covers what is intended and I may say to my hon. friend that the Department of Justice is of the opinion that that is the case. This act was submitted to the Department of Justice and I am advised by the officers of that department that that is what it covers, and nothing else.

Mr. GUTHRIE: While the minister is on this section may I ask whether this government has any jurisdiction at all with regard to Wellington street, as it adjoins the parliament buildings. There are traffic regulations in force there under the control of the city of Ottawa; have we any authority or control over that traffic? Day after day I cross that street, and I notice that those lights are disregarded almost entirely. Our Dominion officers are standing at the gates, and they could easily take the numbers of these machines which violate the law. Have we any right to enforce the traffic laws on Wellington street?

Mr. ELLIOTT: My information is that that is under the jurisdiction of the police officers of the city of Ottawa.

Mr. GUTHRIE: Could we make an arrangement with the city whereby the Dominion officers could lay these complaints? There are no police officers of the city of Ottawa on this street. Once or twice I would have made complaints had there been any officers near; I could have taken the numbers of the cars, but there were no officers in sight. Our own Dominion officials are at the gates, so I should think an arrangement might be arrived at whereby the Dominion officers could lay the complaints.

Mr. ELLIOTT: I would say, speaking offhand, that anyone who sees a violation of any act may lay a complaint, and I see no reason why a Dominion officer who sees a violation of an act in front of Dominion government property which he is appointed to protect and the rights of whose occupants he must also protect, should not have the right to lay the information.

Mr. GUTHRIE: I mentioned the matter last year and from my observation, in front of the main entrance and the east entrance to these buildings there is almost an utter disregard of the traffic regulations, and I have been told that the city council have not adopted these lights or regulations on Wellington street. I inquired of one of the Dominion police, and he said he had no right to interfere. I was wondering if some arrangement could not be made whereby Dominion police might take the numbers of these automobiles and lay the informations, because it looks more like a speedway for the automobile drivers than a protected highway.

Mr. ELLIOTT: I might say that negotiations are pending now with the city for the renewal of the agreement between the Dominion government and the city, and I think it would be an opportune time perhaps to take up with them the question which my hon. friend has mentioned. Apart altogether from that, I would say that the Dominion officers might very well be instructed, as part of their duties, to take the numbers of these automobiles and lay informations. I would say to my hon. friend that that will have the best consideration which we can give to it.

Mr. CAHAN: I simply wish again to register a protest against what I regard as a paragraph which is not clear. We are dealing with the property of His Majesty under the legislative jurisdiction of this parliament, and I protest that we do not say so. I do not know from whom the statutes emanate which come before parliament, but I do know that any well-regulated law office would dismiss such incompetent help if they were unable to express themselves in clearer and more definite language than is used in many of the public bills which come before us.

Section agreed to.

Sections 2 and 3 agreed to.

Bill reported, read the third time and passed.

INSURANCE ACT AMENDMENT

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee on Bill No. 35, to amend the Insurance Act.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

On section 1—Release of securities to liquidator.

Mr. GUTHRIE: Would the minister explain the general provisions of the bill? I have not had time to read it.

Mr. DUNNING: I explained it briefly on the second reading, and since then the banking and commerce committee have had a chance to survey the provisions of the bill, which has been returned here without amendment. The first provision is for the release of securities on the order of the liquidator, under circumstances where no such authority now exists.

Mr. GUTHRIE: Does this provision apply to all insurance companies or merely to life insurance companies?

Mr. DUNNING: This provision applies to all insurance companies.

Mr. COOTE: Might I take this opportunity of suggesting to the government that members be furnished, through the post office, with copies of all bills as they are printed. This is done with regard to the orders of the day and the votes and proceedings, but if members wish to make any study of the bills in their own rooms they either must send to the house for the bill file or to the distribution office for the particular bill, and really I think it is more necessary that we have copies of the bills sent to our rooms than that we have copies of the orders of the day or the votes and proceedings. I just wish to take this opportunity of suggesting to the government that this would be a great help to the members.

Mr. DUNNING: While I sympathize with my hon. friend, he will at once realize that it

is not a matter for the government; it is a matter for the internal management of the house itself, and representations might very well be made either to the debates committee or to Mr. Speaker in this regard. The government has not authority over distribution in the house.

Mr. COOTE: I thought perhaps the internal economy commission really had control.

Mr. DUNNING. I do not think so.

Section agreed to.

On section 2—Appropriation of profits for surplus.

Mr. CAHAN: Have the fire insurance companies been made aware of the proposed legislation?

Mr. DUNNING: The life insurance companies, and the insurance companies generally, have considered the sections which relate to them, and both classes of company are favourable to the amendment here proposed.

Mr. GEARY: Did this matter come before the banking and commerce committee?

Mr. DUNNING: Yes.

Mr. GUTHRIE: To what class of company does this section apply?

Mr. DUNNING: Section 2 applies to fire insurance companies only.

Section agreed to.

On section 3—Decrease of par value, and increase of number of unissued shares by Canadian fire insurance company.

Mr. CHURCH: Mr. Chairman, last session I raised the question of a general revision of the Insurance Act, and I desire again to bring this matter to the attention of the minister. We have a revision of the Bank Act every 10 years and the Insurance Act should be brought up to date. Protection should be afforded to those who hold securities, to the stockholders, to the lapsed policyholders, and with regard to securities invested outside of Canada. We do not often hear of an insurance company failing, although five or six years ago one company was asked to put up additional security. Instead of bringing forward every year five or six amendments to the act, there should be a general revision of the insurance laws of this country. Are we to wait until we have a sort of Home bank affair with the insurance companies? Such companies as the Sun Life are making tremendous profits, as is shown by the report of the superintendent of insurance.

[Mr. Dunning.]

I raised another point last session with regard to the matter of rates. The rates which apply on our railroads are regulated; bank interest is regulated, and in my opinion there should be some check of these insurance companies. We have not gone as far in this respect as have England and the United States. I received a letter from a gentleman complaining that a company in central Ontario has raised his insurance rates and he is now asked to pay something which he is unable to pay. Some of these poorer people are out of work and cannot keep up the payments on their policies. The minister should state a future policy to be followed regarding these insurance companies. There should be a general consolidation of the act, and the same procedure should be followed as is followed in the case of banks. We have very little control over these companies, and the superintendent of insurance should be empowered to put an auditor or an actuary into the offices of the different companies to see that they are fulfilling the terms of the Insurance Act. At the present time the company simply files a schedule containing information which may be right or wrong.

Mr. GUTHRIE: Were these amendments proposed at the instance of the superintendent, or did the companies ask for them?

Mr. DUNNING: The companies asked for the amendments, but the superintendent recommends their adoption. That applies to the section under discussion.

Regarding the remarks of the hon. member for Toronto Northwest (Mr. Church), I think it is generally recognized in the financial world that the position of Canadian fire and life companies is eminently sound, and that the control exercised by the superintendent of insurance and his department is as effective as that existing in any other country. Such complaints as we receive are generally of an opposite character to that made by my hon. friend. It has been represented to me that the superintendent is inclined to be too rigid, and my answer always is that great rigidity is required of a government official occupying such a position. I have heard no complaints of laxity of control.

Mr. GEARY: I understand the Companies Act is being amended as to the distribution of stock?

Mr. DUNNING: Yes.

Mr. GEARY: The idea being to have such distribution widely spread.

Mr. DUNNING: My hon. friend is correct. When this bill was before the banking and

commerce committee, the superintendent had available there the requests of the companies for this amendment. I did not bring them with me because I did not anticipate that there would be a repetition of the discussion. There has been no opposition offered from any quarter to any of these amendments.

Mr. SPOTTON: Mr. Chairman, perhaps the question I wish to raise is not properly before this committee, but if any concession is to be made to the fire insurance companies, I think the matter to which I am about to refer should be brought to the attention of the minister. Instances have occurred where fire insurance companies have issued policies providing insurance coverage on a building designated in the policy, and the people concerned have subsequently discovered that they have been paying a premium upon a building which is non-existent. We have had a sad occurrence in my section of the country, where many of the people suffered to the extent of an aggregate of over half a million dollars through the fraudulent undertakings of a trusted lawyer. This lawyer agreed to obtain mortgages on houses in the vicinity of Toronto, and the people trusted in his knowledge that these buildings existed. The mortgages came along with fire and wind insurance policies attached thereto. In the case of my own family, out of sixteen such mortgages with sixteen fire insurance policies attached to cover sixteen houses, there were only six buildings of any kind actually existent. I contend that the fire insurance companies were a party to the fraud. Each of the mortgages we received had a fire insurance policy attached, signed by a reputable fire insurance company, which stated that they were insuring a house of a certain kind, on a certain lot, built in a certain manner, when in fact there was no house at all. This fraud took place in the Listowel and Stratford section, and was extended into my constituency. Let me emphasize the fact that the fire insurance companies placed policies upon buildings which did not exist, although they described in the policy as the nature and construction of the buildings alleged to be insured; thus they have been assisting in the carrying out of fraudulent transactions which have resulted in the people in my district being robbed of nearly three-quarters of a million dollars. I would like to see the act amended to provide that when a fire insurance company issues a policy which is a contract of insurance upon a building they shall inspect the property or otherwise make sure that the building in respect of which the policy is written really exists. Fire insurance companies are collecting hundreds of dollars of insurance premiums on buildings that do not exist—merely on vacant lots. It would be much cheaper to buy an asbestos blanket. I do not know whether this is the proper time to make the suggestion, but if fire insurance companies are coming to parliament for additional assistance I would ask the minister to see to it that the people are protected from being swindled by fire insurance companies through the issuing of fire insurance policies upon buildings which do not exist.

Mr. DUNNING: I cannot say offhand whether or not the law as it now exists would provide a means of dealing with cases such as that to which my hon. friend refers. I hope I did not gather from him what at one stage I thought I did, namely, that this form of fire insurance fraud had amounted to three-quarters of a million dollars.

Mr. SPOTTON: In operation through Listowel alone it is about half a million dollars.

Mr. DUNNING: On buildings that do not exist?

Mr. GEARY: Insurance on fictitious mortgages.

Mr. SPOTTON: But in each case a fire insurance policy was given and the people took it. The insurance company said they were insuring a building which naturally would be presumed to exist, but the building was not there; it was merely a vacant lot.

Mr. DUNNING: I shall be glad to bring the matter to the attention of the superintendent of insurance with a view to having the state of the law in that regard looked into and the superintendent of insurance may be able to take some action to deal with that sort of thing. I hesitate to suggest to my hon. friend that a man who takes a mortgage on property ought to determine for himself whether or not the property exists. A little responsibiilty rests upon him.

Mr. SPOTTON: I grant that, but when you receive a fire insurance policy stating that in consideration of a certain premium the company is insuring a building which is described in the policy, there is in that, one would think, some measure of security.

Mr. POULIOT: I think the situation is worse than the hon. member for North Huron has just indicated, because I believe that in respect to each section of the country the underwriters have plans on which each building within that territory is shown. If an insurance company had such plans covering the

section of the country in which my hon. friend lives, the situation is much worse, because if no buildings were shown on the plan I do not see how the company could issue insurance on buildings that do not exist.

Mr. BOYS: That is the case, only in towns and cities. While I realize that this matter is not really apropos of the subject under discussion, if the minister is going to bring it to the attention of the superintendent of insurance it might be well for me to bring to his notice another feature which I have in mind.

Mr. DUNNING: Before my hon. friend continues, will he permit me to say I cannot guarantee that the companies in question are Dominion companies? As my hon. friend doubtless knows, companies incorporated by the provinces do not come within the jurisdiction of the Dominion. I shall, however, be glad to bring the incident to the attention of the superintendent of insurance in order that inquiry may be made with a view to protecting the public so far as it is reasonably possible to do so.

Mr. BOYS: What I shall refer to will be under the jurisdiction of the Dominion. It is a common thing for a company to place insurance on buildings valued at $1,000, $1,500 or $2,000, the premium being paid for a number of years, and then when there is a loss the value is disputed. Something should be done in that regard. I have at the present time a case pending in that category. The insurance companies have agents; the agents inspect the risks, and I cannot see that it is in order for an insurance company which accepts a certain premium after the inspection of the property by one of its own agents, to be permitted to dispute the loss in the case of total destruction of the property so insured. That sort of thing is done right along, and I suggest to the minister that it is a matter well worthy of consideration. I know how these things very often happen. Perhaps you go into a local agent to place a policy; you are in a hurry to get it; the application is taken, and the agent perhaps does not know the property at the time, but he has an opportunity of seeing it shortly afterwards. He should see it and if he thinks the value placed on it is too high he should either insist upon the amount of the policy being reduced to a fair value or decline to take the risk. I ask the minister to request the superintendent of insurance to consider that feature seriously.

Mr. DUNNING: I shall have it looked into.

[Mr. Pouliot.]

Mr. STEWART (Leeds): I should like to bring to the attention of the minister another matter that arises out of a recent decision in the courts of Ontario under circumstances somewhat as follows: a farmer goes to an insurance agent and asks him to fill out the application form for him. The insurance agent, with full knowledge of the conditions, makes an inaccurate or perhaps an absolutely untrue statement as an answer to one of the questions in the application. The insurance goes through on the basis of that application.

Mr. DUNNING: I presume that untrue statement is signed by the applicant.

Mr. STEWART (Leeds): Signed by the applicant, sometimes by the insurance agent signing the applicant's name, with his authority; but the application is filled out by the insurance agent, although, of course, as the minister says, for practical purposes it bears the signature of the applicant. Nevertheless the fact is that the misstatement made by the agent of the company in full knowledge of the facts, and the decision of the court is that that is held to be the statement of the applicant. The insurance company assumes no responsibility and escapes all liability arising from the wrongful act of its own agent, because he is technically held to be the agent of the applicant. These are matters that are causing injustice and working very grave hardship, especially in the particular case I have in mind. It seems to me that this parliament, so far as lies within its power, should insert in the Insurance Act a provision that when an agent of the company acts in the manner I have indicated, the company should be estopped from denying responsibility for the act of the man who is really its own agent for that purpose.

Section agreed to.

Bill reported, read the third time and passed.

BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: It was the intention to proceed to-day with the Natural Resources bills, but I learned that the hon. leader of the opposition wishes to be here when we take up those measures. I would like to know if there would be any objection to introducing the resolution with regard to Saskatchewan, just to advance it a stage.

Mr. GUTHRIE: I do not think there is any objection to advancing it a stage and having the bill introduced.

NATURAL RESOURCES

AGREEMENT WITH THE PROVINCE OF SASKATCHEWAN

Hon. CHARLES STEWART (Minister of the Interior) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to bring in a measure to confirm the agreement between the governments of the Dominion and the province of Saskatchewan dated 20th March, 1930, respecting the transfer of the natural resources of Saskatchewan.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. CAHAN: I would like to call the attention of the Prime Minister to the fact that some days ago he laid on the table of the house correspondence between this government and the government of Saskatchewan dealing with the transfer of the natural resources. Copies were ordered printed but up until one o'clock to-day it was impossible to obtain a copy of that printed document. I had expected that we would have the printed copies available before it became necessary to discuss either the principle or the details of such a measure as that embodied in this resolution.

Mr. MACKENZIE KING: I am sorry to learn that the correspondence has not been printed. If my hon. friend would prefer that we should not proceed on that account, I am quite agreeable.

Mr. CAHAN: I have no objection to advancing the legislation, but it must be understood that when we come to the second reading of the measure and in committee, we shall be allowed pretty broad scope for a discussion.

Mr. MACKENZIE KING: Oh certainly.

Mr. COOTE: Would the Prime Minister be good enough to explain to the committee in general terms what the agreement provides, and particularly as to how it differs, if at all, from the agreements that have been made with the other two prairie provinces?

Mr. STEWART (Edmonton): There is only one clause that differs from the agreement with Alberta, and that is the clause which provides for certain questions being referred to the courts. Has my hon. friend not got a copy of the agreement?

Mr. COOTE: No.

Mr. STEWART (Edmonton): They have been available in the distribution office for some weeks. After all, the agreement is the bill itself. The only difference is that provision is here made to submit for the consideration of the Supreme Court of Canada questions agreed upon between the parties to the agreement as being appropriate upon which to obtain the judgment of the said court, subject to an appeal to His Majesty.

Mr. LUCAS: Did the minister say that copies were available in the distribution office?

Mr. STEWART (Edmonton): Yes.

Mr. LUCAS: I sent down there to-day but could not get a copy.

Mr. STEWART (Edmonton): I am surprised. They were ordered printed and I asked my secretary to see that they were available for distribution: I will see that copies are made available.

Mr. CARMICHAEL: Is it the intention of the government to turn over to the province the natural resources prior to the decision to be given by the supreme court or the privy council on the questions that are to be submitted?

Mr. STEWART (Edmonton): Yes. It is the intention to turn over these resources on the date as provided in the agreement, once assent has been given to the bill. The question whether or not the courts might decide that additional consideration be given for the alienated resources would come up later. It was never intended to withhold the resources until the decision of the court had been given.

Mr. CARMICHAEL: Section 28 says that the agreement shall come into force after being ratified by the imperial parliament, and that apparently will not be done until after the court has given its decision on these questions.

Mr. STEWART (Edmonton): No. The agreement for the reference to the court is a separate agreement. The agreement with Alberta is for a commission to take into consideration whether or not there are reasons why the province should receive additional consideration to that provided in the agreement for the resources alienated between 1905 and the present day, but that does not mean that the resources will be held until a decision has been given by that commission; nor does it apply in the case of Saskatchewan.

Mr. CARMICHAEL: Take for instance section 6, relating to the school lands funds and school lands. It says that upon the coming into force of this agreement such and such will be done, and section 28 tells us when the agreement will come into force. It

looks from a reading of the agreement as though the lands will be turned over only when the agreement comes into force.

Mr. STEWART (Edmonton): Quite right.

Mr. CARMICHAEL: And the agreement comes into force only when the imperial parliament gives its assent?

Mr. STEWART (Edmonton): Quite right, but the decision of the court on the questions submitted may not have been given then, and it may be possible that the commission dealing with Alberta may not have reported at that date.

Mr. CARMICHAEL: Does the minister anticipate that the imperial parliament will give its consent to this agreement before the decision of the court?

Mr. STEWART (Edmonton): Yes.

Mr. DUNNING: Why not?

Mr. CAHAN: The Saskatchewan agreement contains terms which differ very materially from the terms of the Alberta agreement, which forms a schedule to one of the bills. I notice in the press within the last two or three days that apparently since the bill with respect to the Alberta resources was introduced into this house, with a certain schedule attached, an amended agreement has been made with the government of Alberta incorporating new terms, or other terms such as we now find in the Saskatchewan agreement, and I was wondering whether it was the intention of the government to introduce a new bill with regard to Alberta or to amend the agreement.

Mr. STEWART (Edmonton): There is nothing to amend in the agreement. We are simply extending to Alberta, if they so desire, the same privilege that we are extending to Saskatchewan, to submit for the consideration of the courts similar or the same questions that may be agreed upon in the case of Saskatchewan.

Mr. CAHAN: Will there be a clause in the Alberta agreement to that effect?

Mr. STEWART (Edmonton): In the bill, yes.

Mr. CAHAN: It will be a second bill?

Mr. STEWART (Edmonton): Yes.

Mr. CAHAN: So you intend to amend the bill, but not amend the schedule?

Mr. MACKENZIE KING: Yes.

Resolution reported, read the second time and concurred in. Mr. Stewart (Edmonton) thereupon moved for leave to introduce Bill No. 58 respecting the transfer of the natural resources of Saskatchewan.

[Mr. Carmichael.]

Motion agreed to and bill read the first time.

MAPLE SUGAR INDUSTRY

Hon. CHARLES STEWART (Acting Minister of Agriculture) moved that the house go into committee to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure to provide for the better organization and development of the maple sugar industry, to prevent adulteration, to authorize regulations, and to provide for the payment of fees for registration, analysis and licenses.

Motion agreed to, and the house went into committee, Mr. Johnston in the chair.

Mr. CAHAN: Mr. Chairman, as it is now approaching six o'clock, I suppose we might pass this resolution on the same understanding as we reached in regard to the preceding resolution, that we have ample opportunity to discuss it when it comes before the house on second reading.

Mr. STEWART (Edmonton): Yes.

Mr. GARDINER: Will the minister give a short outline of the proposed legislation?

Mr. STEWART (Edmonton): Briefly, the bill provides for regulation of the maple sugar industry by way of registration of the factories where maple products are produced, and of the principal producing woods, and for inspection to prevent adulteration, giving fairly wide powers to the inspectors, and providing penalties for infractions of the act.

Mr. CAHAN: It is a very important measure in my province.

Mr. STEWART (Edmonton): Yes; and it is brought in on the suggestion and at the request of a considerable number of members from the province of Quebec.

Mr. STEWART (Leeds): Would it apply to the individual farmer making maple sugar in his bush?

Mr. STEWART (Edmonton): Yes, if adulteration was taking place, that is, providing he was putting his product on the market.

Resolution reported, read the second time and concurred in. Mr. Stewart (Edmonton) thereupon moved for leave to introduce Bill No. 59 respecting the maple sugar industry.

Motion agreed to and bill read the first time.

INTERNATIONAL PEACE

PERMANENT COURT OF INTERNATIONAL JUSTICE, OPTIONAL CLAUSE

Mr. SPEAKER: I have the honour to inform the house that I have received a message from the Senate informing this house that the Senate has adopted the following resolutions:

That it be resolved:

That it is expedient that parliament do approve of the protocol for the revision of the statute of the Permanent Court of International Justice, signed at Geneva in respect of the Dominion of Canada, on the 14th September, 1929, and that the Senate do approve of the same.

That it be resolved:

That it is expedient that parliament do approve of the declaration under article 36 of the statute of the Permanent Court of International Justice, signed at Geneva, in respect of the Dominion of Canada, on the 20th day of September, 1929, and that the Senate do approve of the same.

That it be resolved:

That it is expedient that parliament do approve of the protocol relating to the accession of the United States of America to the protocol of signature of the statute of the Permanent Court of International Justice, signed at Geneva, in respect of the Dominion of Canada, on the 14th September, 1929, and that the Senate do approve of the same.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, with the permission of the house I beg to move:

That a message be sent to the Senate to acquaint that house that the House of Commons has adopted the following resolution:

That it is expedient that parliament do approve of the declaration under article 36 of the statute of the Permanent Court of International Justice, signed at Geneva, in respect of the Dominion of Canada, on the 20th day of September, 1929, and that this house do approve of the same.

Motion agreed to.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, April 10, 1930

ROYAL ASSENT

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

Sir: Ottawa, April 10, 1930.

I have the honour to inform you that Right Hon. F. A. Anglin, Chief Justice of Canada, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber to-day at 5.45 p.m. for the purpose of giving the royal assent to certain bills.

I have to honour to be, Sir,

Your obedient servant,

James F. Crowdy,
Assistant Secretary to the
Governor General.

PRIVATE BILLS COMMITTEE

First report of the select standing committee on miscellaneous private bills—Mr. Parent.

RADIO BROADCASTING

POWERS OF SPECIAL COMMITTEE

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

That the special committee appointed on the 9th of April instant to consider all matters connected with the radio broadcasting situation problems, together with the report of the royal commission on radio broadcasting, have power to send for persons, papers and records, to examine witnesses under oath, to report from time to time, and that the provisions of section 1 of standing order 65 respecting the number of members of select special committees be suspended in relation thereto.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

REFERENCE OF ESTIMATES TO RAILWAYS AND SHIPPING COMMITTEE

Hon. T. A. CRERAR (Minister of Railways) moved:

That standing order 63 of the House of Commons, relating to the appointment of the select standing committees of the house, be amended by adding to the select standing committees of the house for the present session a select standing committee on railways and shipping owned, operated and controlled by the government, to which will be referred the accounts and the estimates 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 this resolution shall be construed to curtail in any way the full right of discussion in committee of supply, and that the said committee consist of Messrs. Bell (St. Antoine), Cantley, Chaplin, Crerar, Duff, Fansher (Last Mountain), Fiset, Geary, Gray, Hanson, Jenkins, McLean (Melfort), Milne, Power and Stevens.

Mr. SPENCER: Mr. Speaker, there is a slight error in the list of members of the committee. It should be Mr. Fansher of Lambton East instead of Last Mountain.

Mr. SPEAKER: With that correction, is it the pleasure of the house to adopt the motion?

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

WAR REPARATIONS CLAIMS

Mr. WHITE (London):

1. What provisions are available for the adjustment of the war reparations claims which were not completed or which were not dealt with in the report of Commissioner Friel?

2. If no authority now exists to deal further with these claims, will the government take steps to set up such authority, and if so, when will it be done?

Mr. RINFRET: Parliament made no provisions in the Reparations Payment Act of 1929 to meet such claims.

INTERNATIONAL PAPER COMPANY LIMITS

Mr. FAFARD:

1. How many square miles were photographed on the International Paper Company's limits, along the Gatineau river, last summer?
2. What was the cost per mile?
3. What will be the total cost of this map when published?

Mr. RINFRET:

1. 885 square miles, photographed in Gatineau valley.

2. Segregated costs for this particular area not available.

3. Estimated cost of full map sheet, exclusive of photography, $10,925.

CANADIAN NATIONAL STEAMSHIPS

Mr. ANDERSON (Halton):

1. What Canadian National steamers are employed between: (a) Canada and New Zealand; (b) Canada and Australia; (c) Canada and South Africa?
2. What ports in Canada do these steamers sail from?
3. At what ports do these steamers first call on the return voyages?
4. What subsidy is paid by Canada to each of the said boats operating on these routes?

Mr. CRERAR:

1. (a) Canadian Explorer, Canadian Transporter, Canadian Conqueror, Canadian Constructor; (b) Canadian Cruiser, Canadian Leader, Canadian Commander, Canadian Scottish and Canadian Victor; (c) None.

2. Montreal during the St. Lawrence season of navigation and Halifax during the winter months.

3. The first port of call on the return voyage depends upon what cargoes can be secured northbound. The terminal ports, however, are Montreal in summer and Halifax in winter.

4. None.

ONTARIO CONTRIBUTIONS TO FEDERAL TREASURY

Mr. EMBURY:

1. What contributions to the federal treasury were made by the province of Ontario during the calendar year 1929, from: (a) income tax; (b) excise duties; (c) customs import duties; (d) sales tax; (e) business profits tax?

Mr. EULER:

(a) Income tax, $33,524,634.77; (b) Excise duties, $17,205,723.97; (c) Customs import duties, $105,521,206.65; (d) Sales tax, $22,660,766.22; (e) Business profits tax, $122,690.30.

[Mr. J. F. White.]

Income tax for the counties of Labelle, Pontiac, Hull, Abitibi and Papineau, in the province of Quebec, are included, as these counties are in the Ottawa taxation district.

NATIONAL LIVESTOCK RECORDS OFFICE

Mr. NEILL:

1. Is the national live stock records office, listed in the Dominion Government Telephone Directory under the Department of Agriculture, a branch of that department?
2. Are the salaries of the officials in the said office paid by the Dominion government?
3. If not, does that office receive support by way of grant or otherwise from the Dominion government, and if it does receive such support, to what extent?
4. Has the Department of Agriculture no control over the office activities of this branch, and no supervision at all over its work?

Mr. STEWART (Edmonton):

1. No.

2. No.

3. Yes. (a) grant $20,000 (fiscal year 1929-30); (b) Printing and Stationery and office supplies, $6,472.13 (expenditure 1929); (c) Rent, heat, repairs to building at 66 Queen street, Ottawa, occupied as offices by the Canadian national live stock records.

4. None, except as provided for under the Live Stock Pedigree Act, which, while giving the minister no administrative responsibility for the conduct of record work, empowers him to provide certain supervisory oversight with respect to the clerical accuracy of the pedigrees issued and also to approve the association constitutions, and amendments thereto.

CAMBRIDGE WHARF, QUEENS COUNTY, N. B.

Mr. JONES:

1. What was the total cost of Cambridge wharf, Queens county, New Brunswick, since September, 1926?
2. Were tenders called for the erection of the said wharf?
3. Who were the tenderers and what was the amount of each tender?
4. To whom was the contract awarded?
5. If work was done by day labour, who was superintendent, how much time did he work and what rate of pay did he receive?
6. How many labourers were engaged on the work, what are their names and what amount did each receive?
7. What material was used, who supplied same, and what was the cost?

Mr. ELLIOTT:

1. $5,031.70, to federal government.

2 to 7. No information. Wharf built by provincial government of New Brunswick and transferred to federal government in October, 1923.

QUESTIONS PASSED AS ORDERS FOR RETURNS

RUSSIAN COAL

Mr. MACDOUGALL:

1. Is it a fact that several cargoes of anthracite coal have been exported from Russia to Canadian ports?
2. If so, has the government information as to what territory in Russia this coal comes from?
3. Will the government make inquiry to verify these statements?
4. Is the government aware of the labour conditions under which the coal is produced?
5. Has the government been informed that the labour employed is either prison or enforced labour for which very low remuneration is allowed?
6. Is the government aware or will they ascertain by what steamship company the ocean transportation was effected?
7. Will the government ascertain at what rate this ocean transportation was figured; also, if this rate was the commercial rate offered by other steamship companies at that date?
8. Is it a fact that cargoes of wood from Russia for the manufacture of pulp were transhipped at Three Rivers and forwarded from there by inland transportation to ports in the United States?
9. If so, will the government ascertain under what labour conditions this wood pulp was produced; also what rates the shipping company charged; and was this rate what would be known as the ordinary commercial rate?
10. Has the government had any protest from the province of Quebec or the province of Ontario in connection with these shipments?
11. Did not the government announce as a policy the discontinuance of all trade relations with Soviet Russia?
12. Does the government, under these conditions, consider itself bound to facilitate shipments from Russia to the United States through Canadian channels?

AEROPLANES OWNED BY CANADA

Mr. COOTE:

1. How many aeroplanes were owned by Canada at the close of the war?
2. In each year since the war, what was the number and value of planes of all styles purchased by the government?
3. How many planes have been sold in each year, and what was the net amount received?
4. How many planes have been scrapped in each year?
5. How many planes are now owned, and how many are in proper condition for use?

CLAIMS FOR REPARATION

Mr. DUFF:

1. What claims for reparation, with the names of claimants, the amounts claimed and address of claimants, have been filed with the Department of the Secretary of State subsequent to the completion of the Friel report?
2. What claims for reparations, with the names of claimants, the amounts claimed, and address of claimants, were not disposed of under the Friel report by way of assessment by reason of the non-appearance of the claimant or lack of documents?
3. Was there any time limit set for the filing of claims with the Department of the Secretary of State?
4. Will any provision be made to take care of the claimants referred to in questions 1 and 2?

CANADIAN NATIONAL STEAMSHIPS

On the orders of the day:

Hon. T. A. CRERAR (Minister of Railways): The hon. member for South Wellington (Mr. Guthrie) inquired yesterday when the annual report of the Canadian National Steamships would be tabled. I was out of the house when this question was asked, but I would inform my hon. friend that it is expected that the report will be tabled shortly after the recess.

FAIR WAGES AND HOURS

Hon. PETER HEENAN (Minister of Labour) moved the second reading of Bill No. 49, respecting fair wages and an eight hour day for labour employed on public works of the Dominion of Canada.

He said: Mr. Speaker, when this bill was introduced, some hon. members asked that an explanation be given, and I promised to give it when the bill was next before the house. A reference to the bill will disclose that it is to apply to contractors and subcontractors on Dominion government work, such as construction, remodelling, repair or demolition of any work. It also applies to the workmen employed by the government on similar undertakings, to those workmen generally known as day labourers. The bill provides for the payment of wages which are current in the district, but there is an added provision which differs from our present fair wage policy, that in all cases the wages must be fair and reasonable. An eight hour day is provided for on all work, except special cases or emergencies. A few weeks ago I had the honour of tabling an order in council which provided for an eight hour day for all employees of the Dominion government, and with the addition of this bill the principle of the eight hour day will be applicable to the entire Dominion public service. Representations have been made that the provisions of this bill would apply to manufacturers, but I desire to make it clear that this bill is not intended to be applied to that class. When the bill is in committee I propose to move an amendment to add a subsection which will make it perfectly clear that manufacturers are not to be included.

Mr. HANSON: Would the minister read that amendment now?

Mr. HEENAN: No, I cannot. In order to administer a bill of this character, it will be necessary to have rules and regulations, and this bill gives the governor in council authority in that regard. Regulations may be made for the following:

(a) The method of determining what are current or fair and reasonable wages and the preparation and use of schedules of rates relating thereto,
(b) rates of wages for overtime,
(c) classifications of employment or work,
(d) the publication and posting of wage schedules.
(e) payment of wages to employees in case of default by the contractor or other party charged with such payment and recovery thereof from such contractor or other party,
(f) the keeping of proper books and records and the examination of the same by government officers,
(g) persons who may be employed on works referred to in this act,
(h) the subletting of contracts,
(i) the penalties to be imposed for breaches of the provisions of this act or regulations made hereunder,
(j) generally for the due enforcement of the provisions of the act and regulations.

Under our present fair wage policy, regulations have to be made from time to time in order to cope with the different problems which may arise. It has been said that this bill is limited in its scope because of the fact that it is confined to building and construction, but otherwise I would point out that it in no way replaces the present fair wage regulations as provided by order in council. It is a distinct step forward in our fair wage policy, and so far as I can learn this is the first bill of its kind in the history of Canada. The question has been asked, why the fair wage policy as applied to water power development and railroads is not embodied in this bill. I would point out that the policy regarding the development of water powers is contained in regulations under another act. Matters pertaining to railways are covered under section 244 of the Railway Act. The manufacture of supplies, material, equipment and so on, is now taken care of under our present order in council. I am mentioning this to the house so that it will not be thought that railroads, manufacturers and enterprises of that sort are neglected. The bill applies to the construction, demolition, repair and so on of public buildings and the government thinks it a good thing to start its fair wage legislation in a not too advanced manner. This is all the information that I have at the present time, but I may have to reply to some comment later on.

[Mr. Heenan.]

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, undoubtedly the government is to be congratulated upon having brought in a bill of this character. It might be very easy, if somewhat ungracious, for us to say that it is long overdue. The government has been committed to the eight-hour day ever since the signing of the Peace treaty, and though to a considerable extent the eight-hour day on government works has been provided for by orders in council or in other ways, there seems to be no reason why it should not have been made statutory. I am glad, indeed, that definite legislation of this character has been introduced. The minister said that this was a distinct step in advance. That is true. The only criticism that we in this corner can offer is that, as the minister has recognized, it is somewhat limited in scope. I am not sure that work on harbours, for example, is provided for at the present time. We have a number of harbour boards that are more or less public in character. Certainly they are subsidized, or are given large loans by the Dominion government, in some instances the interest not being paid very promptly, so that I think they may be regarded as being in reality federal works. I would like to have seen harbour boards included in a matter of this kind.

Although it may be true that the railways and water-powers are provided for by the orders in council, it is not very clear, since we are departing from the order in council arrangement and substituting therefor statutory regulations, why the latter ought not to apply to the Canadian National Railways or to other contracts.

The most serious deficiency, however, in this legislation seems to me to be the continued use of the word "current" in relation to wages. I mentioned that when the bill was first introduced. I should much prefer to have seen some such phrase as "standard wage" or "minimum standard wage." In the draft bill which was presented by the executive council of the Trades and Labour Congress to the government, I notice that there is a definition of "standard" which I would commend to the attention of the minister:

"Standard," when used with respect to hours of work on any undertaking, means a number of hours in each period of twenty-four hours not greater than the number of hours commonly worked by persons in like occupations in the locality in which such undertaking is carried out, and when used with respect to rates of pay for work on any undertaking, means rates of pay for ordinary and overtime work at least equal either to those which are recognized as payable to persons in like occupations by both employers and trade unions in the locality aforesaid, or if no such rates of pay are so

recognized, then to those paid to persons in like occupations by the majority of substantial and established employers of persons in like occupations in such locality, provided that, if in such locality the conditions are such that the comparisons aforesaid cannot be made, then the bases for comparison shall be the hours of labour and rates of pay recognized or commonly worked or paid as aforesaid by or to persons in like occupations at the places from which the workmen employed on such undertaking are drawn; and provided also that rates of pay shall in all cases be such as are fair and reasonable.

There are special cases which I might cite as illustrating the need of some definition of this character. In connection with some of the hydro developments just outside of my own city we had an example of this where the rates of pay in the locality did not mean anything. The construction work was practically in the wilderness. The men themselves had mostly to be drawn from Winnipeg and there was no provision for the payment of wages such as were prevalent in that city. It would seem to me that if the minister could be induced to incorporate some such phrase as this with some such definition as this, he would make the bill a great deal more satisfactory. Of course I have very little doubt that the minister himself will interpret the act as generously as possible, but since we are getting away from mere orders in council and since I do not think that matters of this kind should be left to the discretion even of the most sympathetic minister, I should like to have seen this interpretation incorporated in the legislation itself.

Mr. THORSON: Does the hon. member not think that is sufficiently provided for in subsection (a) of section three where it is provided:

Provided that wages shall in all cases be such as are fair and reasonable.

Mr. WOODSWORTH: That is left, as I am suggesting, to the discretion of the minister. The phrase "fair and reasonable" is a fair and reasonable sort of phrase, but I should like to have something a little more definite than that. There is a weakness in regard to definiteness.

Mr. CHAPLIN: How would a contractor view that phrase?

Mr. WOODSWORTH: There is the difficulty.

Mr. CHAPLIN: Of course there is.

Mr. WOODSWORTH: The contractor thinks in terms of his profits as to what is fair and reasonable, and what can be paid by other contractors in other parts of the country. The wage earner sees the matter in a very different light. The Minister of Labour might have difficulty sometimes in finding a way of harmonizing the two ideas, that of the contractor and that of the wage earner.

Mr. CHAPLIN: If the hon. member would not like to leave that matter in the hands of the minister, would a contractor likely want it left there?

Mr. WOODSWORTH: I recognize the difficulty and that is why I suggest that it would be better if we had something definite. Undoubtedly, however, this is a move in the right direction. The minister, if I heard him correctly, took the ground that he did not wish to be too much in advance. Perhaps that is a safe policy to pursue, but I think the government should be at least a model employer and should be just a little in advance of the ordinary ideals and practices that may exist in the community round about. So I think there is not much danger in going a few steps ahead of the ordinary practice round about us when the government is so definitely committed by treaty to the underlying principle. However, I shall heartily support the legislation, hoping that the minister may be able to see his way to modify the bill a little along the lines that I have suggested.

Mr. C. W. BELL (West Hamilton): May I ask if the minister will reconsider the decision that he gave a moment ago not to put the house into possession of information as to the details of the amendment that he says he will introduce in committee? It might be of the very greatest importance. I think we ought to have it before us. It has evidently been definitely decided upon, and I think it is only right that the house should know the details of the proposed amendment before the vote on the second reading is taken.

Mr. BENNETT: I think the hon. gentleman (Mr. Bell) is entirely right in making that request. The question may arise whether the amendment is in order if it conflicts with the general principle of the bill. I think the amendment should be given to the house before the hon. minister moves the second reading of the bill.

Mr. HEENAN: The reason I did not give it is that in my innocence I did not think that this was the proper place to discuss the amendment.

Mr. BENNETT: If it affects the principle of the bill we have a right to know it.

Mr. HEENAN: It was handed to me only a few moments ago, so perhaps my hon. friends will not be too critical as to the precise wording. What I intended to do was to make it

perfectly clear that the bill should not apply to industries where the manufacturer was making supplies or equipment for use in the work contemplated. The substance of the amendment is this:

The provisions of this section shall not apply to persons employed in the fabrication or the manufacture of materials, supplies or equipment for use in the work contemplated where such fabrication or manufacture is carried on in any established plant of factory other than a plant or factory established for the purpose of the work contemplated.

Mr. WOODSWORTH: May I ask whether the present order in council covers the workmen in such factories?

Mr. HEENAN: Yes.

Mr. J. T. THORSON (Winnipeg South Centre): I am very strongly in favour of the principle underlying this bill. I have previously urged in this house that the Dominion government should set itself up as a model employer of labour in so far as it is possible for it to do so. I am very glad indeed to see the government implement its obligations in the matter of a fair wage and the eight-hour day in so far as it lies within the power of this parliament to enact such a measure. It seems to me that the rights of the workmen are amply safeguarded by subsection (a) of section 3 of the bill, which provides that wages shall in all cases be such as are fair and reasonable. I agree, of course, that the words "fair and reasonable" are not definite. They cannot in the nature of things be absolutely definite. But the words "fair and reasonable" have a well-known meaning in law. The question is one of fact in all cases, depending on all the circumstances of the case. The subsection will, I think, accomplish the purpose that it is desired to serve. I for one would like to take this opportunity of commending the Minister of Labour for his support of this measure. The bill is approved in principle by organized labour throughout this country, and I believe that it will serve a very useful purpose. I am thoroughly in accord with the underlying principle of the bill.

Mr. MALONEY: Will the terms of this bill apply to existing contracts?

Mr. HEENAN: No, to future contracts.

Mr. H. B. ADSHEAD (East Calgary): I must at the outset congratulate the Minister of Labour (Mr. Heenan) upon bringing down this bill, not only on behalf of myself, but on behalf of the Trades and Labour Congress of Canada, from whose president I have received a letter in which he urges support of this bill and that congratulations be extended to the government for bringing it down.

A year or so ago the Prime Minister (Mr. Mackenzie King) was asked about the enforcement of the eight-hour day, and he replied that it was purely a provincial matter. We are glad to note that so far as this government and its employees are concerned, the government are showing their sincerity by putting into effect the recommendations of the League of Nations and of the conference held at Washington some years ago.

A few days ago my friends to my right, from Nova Scotia, were berating the Minister of Labour because of the low wages paid to some of the government employees in that province, and they made the statement, if I remember aright, that this government should lead the way and show how things should be done, be a little in advance of other employers. I hope, therefore, now that this measure has been brought down, that our friends from Nova Scotia will heartily support it because it is a distinct advance so far as labour is concerned. It gives labour the eight-hour day and seeks to provide a fair wage clause. Where the words "prevailing rate" were used in the old regulation, the words used in this bill are "fair and reasonable," and what is fair and reasonable is to be determined by the Minister of Labour, and not by any twenty-five cents an hour rate, which has been so much complained of by our friends from Nova Scotia. I congratulate the minister upon that. Personally I would like to have seen the bill go a little further, but because of the objections that have been raised by contractors and others the minister is perhaps a little timid about going too far. I think, however, we could safely make statutory enactments covering specific works. My hon. friend from Winnipeg North Centre (Mr. Woodsworth) was rather afraid that the employees of the harbour commissions to which loans are made by this government would not be included in this bill. They may or may not be. I remember, however, that last year when the harbour commissions were under consideration and their estimates being voted, the Minister of Marine and Fisheries (Mr. Cardin) assured me that a fair wage clause such as is provided in this bill would be put in all the contracts for the construction of harbour works, under the loans of this government. I have a copy of the message that he sent to me. He said:

The contractor pledges himself to adhere to the government fair wage schedule in force in Montreal during the different periods of construction.

The minister sent to me personally a copy of the fair wage clause that is used in contracts for harbour commission work that is being done under government loan. I do not

think it would hurt this bill at all if it included a statutory enactment covering the harbour commissions and other works that are being done under government loan. The fair wage clause should be made applicable to all such works.

As regards hydro-electric, undertakings it is quite true that the minister by order in council may insist on the fair wage clause in connection with the issue of the license. I hope the house will observe the principle that has been laid down. For instance, in the hydro-electric licence to the Calgary company, the fair wage clause was inserted. The federal government has not a dollar invested in that enterprise; it has simply granted a licence to a company to do certain work; thereby, in my opinion, the principle has been laid down that in such licences the fair wage clause may be incorporated. In view of this, I would suggest that in the near future this precedent should be followed with respect to all licences granted by the government. Again I congratulate the minister on the bill and I will support it.

Mr. J. ARTHUR DENIS (St. Denis) (Translation): Mr. Speaker, the hon. minister of Labour (Mr. Heenan) and the government must be congratulated for having introduced in the house a measure of such far reaching importance. This bill aims at establishing, in connection with government contracts, an eight hour day, with fair and equitable wages for the labourer. The government is equally entitled to our congratulations for endeavouring to put through this measure because it gives an example to the people of this country which should be followed by all those who employ workers in their manufactures or commercial pursuit. The workman is the most important factor in industry. By his work, he contributes the most to production, and consequently gives to the manufacturer the greatest possible returns. This factor must not be overlooked, and special considerations must be given to it when the times comes to remunerate the worker for his labours.

As the representative of a riding the major part being artisans, I am in favour of this bill and I again congratulate the government for having had the courage of introducing, so worthy a measure as the one actually under consideration. I think the working classes will be pleased and happy to find in this house friends ready to acknowledge that human capital must receive a just and equitable treatment, which will give to the workers, not only the opportunity of providing for the needs of their family, but also of saving a little money for their old age.

Such a measure should receive the unanimous support of the house, and I have every reason to believe that the people of this country will unanimously support the government in order to prove their appreciation for this piece of legislation.

Mr. J. F. WHITE (London): Heretofore when tenders were called for public works it was quite possible for the contracting firms to estimate the wages that would be paid because they were the wages current in the locality at the time. Now we have a different method, it being provided by section 5, subsection (a) that the governor in council may make regulations with regard to:

(a) the method of determining what are current or fair and reasonable wages and the preparation and use of schedules of rates relating thereto.

This being the case, is it the intention of the minister when tenders are being called for to furnish the prospective contractors with a schedule of the rates of wages that will apply on the work so that those tendering will be able to make an intelligent estimate?

Mr. HEENAN: That is the intention, to provide a schedule of wages with the specifications.

Mr. WHITE (London): And all the conditions with regard to extras, and so on?

Mr. HEENAN: Yes.

Mr. G. R. GEARY (South Toronto): I observe that section 3, subsection (a) provides for the payment of such wages "as are generally accepted as current from time to time." Does this mean that the wages may be changed during the progress of the work?

Mr. HEENAN: That is the system at the present time. If the current wages in the locality are changed, we have a right to increase in proportion the wages to be paid by the contractor.

Mr. GEARY: Clause (h) of section 5 provides that the governor in council may make regulations with regard to the subletting of contracts. How will that work out? I would point out that some question has been raised by my hon. friend from Winnipeg North Centre (Mr. Woodsworth) with regard to a definite standard of wages being set. In the opinion of the Trades and Labour Congress the words:

provided that wages shall in all cases be such as are fair and reasonable.

do not give the minister sufficient control over the rates of wages which may be paid. I thoroughly agree with my hon. friend from Winnipeg North Centre when he says that

the door is left wide open for some interpretation that may not suit the working men to say the least. Again, if there is such a standard or current rate of wages as was said the other day to prevail in Nova Scotia, is it proposed under this proviso that the department may increase that current rate to something that it thinks is fair and reasonable?

Mr. THORSON: Surely that is contemplated as possible.

Mr. GEARY: If my hon. friend will allow the minister to answer I hope I shall get the information that I desire. The next question I should like to put to the minister is as to whether this section will be inserted in each contract. I see some difficulties in prospect if it is just left as a statutory enactment. I know the minister wants to make the legislation effective, and I think he should consider the advisability of inserting this provision as a term of each contract. I thoroughly approve of the principle of this bill, but like my hon. friend from Winnipeg North Centre, I regret it has been so long delayed. It is welcome legislation in regard to hours of labour and rates of wages.

I can hope only that the government will do what we on this side of the house have been urging it to do for some time. Irrespective of parties, we have been urging the government to consider the fact that within the scope of its own jurisdiction, and in regard to its own employees, the government is paying far from a living wage to great numbers of workers. There are men who are receiving $80 a month and upwards; some of those men have families and are trying to exist on that wage. It seems to me that the Dominion government should take into consideration this session, as it has been urged to do in previous sessions, the question whether it should continue to pay a wage as low as $80 a month to men who are capable of doing the work to which they are assigned. We will later have the opportunity to deal with this question. I will be pleased if the minister will answer my questions, so that the matter may be clarified in my mind. I approve of the general principle of the bill and I welcome it.

Mr. HEENAN: If my hon. friend does not mind I would prefer to wait until we reach the committee stage; at that time I will be pleased to answer his questions clause by clause.

Mr. GEARY: That is a fair answer.

Hon. R. B. BENNETT (Leader of the Opposition): Before second reading is given to this bill I wish to join issue with those who have so heartily congratulated the government upon taking action in this matter. My colleague from East Calgary (Mr. Adshead) seems to think that the fact the government is now taking action is a cause for great jubilation and congratulation. As I read the records of international gatherings this measure is about ten years past due; that is all. At a great international conference at which employers and employees were represented steps were taken to give effect to the provisions of the treaty of Versailles. To put it shortly, that treaty made provision for an eight-hour day, and the Dominion of Canada became a party to it. The constitutional jurisdiction of the Dominion to give effect to such hours of employment was questioned, and it was contended that the provinces alone could deal with the question of an eight-hour day. It will no doubt be within the memory of this house that when the Dominion of Canada agreed to a treaty which was made between Great Britain and Japan, it was held that it had thereby divested the province of British Columbia of legislative power to restrict the character and the type of persons who might be employed upon government lands or mines. To that extent the legislature of the province of British Columbia was deprived of its legislative power because of the provisions of a treaty to which this country had given its approval. In my own mind I have never been satisfied as to how far the parliament of the Dominion of Canada had jurisdiction to deal with these problems, in view of the fact that we became a party to the treaty of Versailles and thereby, to that extent at least, interfered with the legislative jurisdiction of the provinces to whatever extent might be necessary to give effect to the provisions of the treaty. Whether or not the decision in the British Columbia case is of such far-reaching significance I am not at the moment prepared to say. In this regard I cannot but think what governments do just before an election and the alacrity with which their supporters will stand in their places and confer benedictions for their action is amazing when, as a matter of fact, as in this case this country was committed in the most solemn manner known to the law—by treaty—to do so many, many years ago what we are now doing.

It was not the present government which made this treaty or which committed itself to these obligations; it was a government that was not led by a Liberal prime minister which made these commitments. At the international conference to which I have referred, employers and employees were represented,

and I took the trouble the other day to search in the library, and I found there the record of the meeting of the first League of Nations international labour conference. I have in my hand the minutes of the first annual meeting held from October 29 to November 29, 1919. Looking at the record which indicates those who were present, I find that Canada was represented by the Hon. Gideon D. Robertson, Senator and Minister of Labour of Canada, the Hon. Newton W. Rowell, K.C., M.P., President of the Privy Council of Canada and Acting Secretary of State for External Affairs. In the list of advisers I find the names of the following:

Mr. F. A. Acland, Deputy Minister of Labour of Canada.
Mr. Loring C. Christie, legal adviser to the Department of External Affairs of Canada.
Mr. Daniel A. Cameron, member of the provincial legislature of Nova Scotia.
The Hon. C. W. Robinson, minister without portfolio of the government of the province of New Brunswick,—

who is now a senator,

The Hon. W. L. Mackenzie King, C.M.G., M.P., former Minister of Labour of Canada.
Mr. Louis Guyon, Deputy Minister of Labour for the province of Quebec.
Dr. Walter A. Riddell, Deputy Minister of Labour for the province of Ontario.
The Hon. Thomas H. Johnson, Attorney General for the province of Manitoba.
Mr. T. M. Molloy, secretary of the Bureau of Labour for the province of Saskatchewan.
The Hon. C. R. Mitchell, provincial treasurer of the province of Alberta.
Mr. J. D. McNiven, Deputy Minister of Labour for the province of British Columbia.
Mr. Gerald H. Brown, secretary of the Reconstruction Committee of the government of Canada.

The employers' delegate was Mr. S. R. Parsons, president of the British American Oil Company, Limited. The advisers are given as follows:

Mr. J. E. Walsh, general manager, Canadian Manufacturers' Association.
Mr. J. T. Stirrett, general secretary, Canadian Manufacturers' Association.
Mr. E. Blake Robertson, Ottawa representative, Canadian Manufacturers' Association.
Mr. J. B. Hugg, Canadian Manufacturers' Association.
Mr. J. G. Merrick, secretary, Canadian Employers' Association.

The workers' delegate was Mr. P. M. Draper, secretary-treasurer, Trades and Labour Congress of Canada, and president of the Ottawa Typographical Union. The advisers are given as follows:

Mr. Tom Moore, president of the Trades and Labour Congress of Canada.
Mr. Arthur Martel, vice-president of the Trades and Labour Congress of Canada.
Mr. Robert Baxter, vice-president of the Trades and Labour Congress of Canada.
Mr. David Rees, vice-president of the Trades and Labour Congress of Canada.
Mrs. Kathleen Derry, member of the Boot and Shoe Workers' Union.

About fifty nations of the world were represented at that conference, and by looking at the index one may observe the long discussion which took place in connection with the eight hour day. I think it is only fair to say that at that conference which took place ten years ago last fall the universal opinion was expressed—probably I should not put it so strongly—the general opinion was expressed by resolution that the forty-eight hour week should be the prevailing period of work for those who toil. The question of terms of contract partly dealt with in the legislation now before the house is something which has been dealt with by order in council since and to some extent before that time.

There are two or three matters with which this bill does not in my opinion sufficiently deal. It is idle to say that you do not desire to be unfair to those who make contracts with the state; no nation desires to be unfair with those who undertake to work for it. There used to be an old saying with which those of you who have read law and those who have read a great deal of general literature will be familiar: "the infallible justice of the crown"—that the crown will never do an unjust act. I referred to such an incident the other day, where a well known firm of contractors alleged that they had suffered almost bankruptcy because of changes imposed by the Minister of Labour in the compensation paid to their workmen, and that indicates the possibilities of injustice being done. I express no opinion as to the correctness of their claim; I merely mention it. This bill as it now stands makes it possible for an injustice to be done, and I trust that before the minister finally settles his bill he will afford an opportunity to those who are greatly interested in matters of this kind to present their point of view to this house. I have had a large number of telegrams from employers and employees; from workmen and from the employers of workmen. Some of them, not understanding the terms of the bill, thought it was going to work a very great hardship at a point where clearly none was possible; others were very anxious that the bill should be enacted because they felt that it would afford them a measure of relief which clearly, under its terms, it does not afford.

As I read the bill, it does not attempt to deal with the conflict in legislative power between the legislatures of the provinces on the one hand and the parliament of Canada on the other. Admitting that the principle

of the bill is agreed to—and for my part I find it difficult to think that in this year 1930 any member of parliament should quarrel with the principle when repeatedly since 1920 this parliament has approved, in the most formal way at times and in informal ways at other times, of the principle of the measure—it becomes important to endeavour to work out the details in order to do no injustice either to the employer or to the employee. The first principle is the eight-hour day, and the second principle is a fair day's pay for a fair day's work. The one involves merely the measurement of time, which is not difficult; it is done with a clock or a watch. The other, the determination of the measure or the quantum of wages that shall be paid at given points is, of course, very difficult, and the minister has been very frank about that. As the hon. member for Winnipeg North Centre stated, he uses the word "current", which is a word susceptible to almost any meaning it may be desired to give to it.

In my judgment there should be something more specific than that when you come to deal with the question of tenders and contracts. For instance, if a tender is called for the construction of a post office in Nova Scotia and on the same day a tender is called for the construction of a post office in British Columbia and there is in each tender a provision stating that the contractor will be expected to comply with the provisions of the Fair Wage Act, he could not employ his workmen for more than eight hours per day. However, it might well be that the wages paid in Nova Scotia would not be at all the same as those paid in British Columbia. I think the minister has made that abundantly clear. I am not asserting for a single moment that you can have a uniform standard of wages throughout Canada, without taking notice of local conditions and the circumstances under which the work is performed. I do suggest, however, that in all such matters as these, where tenders are called for public works, there should be at least some exactitude, for as I gathered from what the minister said this afternoon, if a change were to take place in current wages at a given point, then the contractor probably would have a good claim for extras by reason of the minister having exercised the powers mentioned.

I submit that should not be so, having regard to the maxim to which I referred, "the infallible justice of the crown", and having regard to what was said by the privy council in the very early days of this confederation in a case which came from this Dominion. There the question was whether or not property that had been taken should be compensated for, and the law lords pointed out that it must be presumed at all times that where benefits accrue to the crown, the crown is to pay for them. If a contractor, having in mind the terms of such a contract as I have mentioned, tenders and is successful; if the contract is signed containing the terms I have indicated, the minister, in the exercise of the powers now contemplated by this measure, may impose upon that contractor a burden which might amount to thousands of dollars more than he contemplated when he made his tender. Surely then he would be entitled to a claim for extras. I would say that would be reasonably clear at any rate, and certainly in my younger days, when I was engaged with corporations which had to deal with conditions of this kind, under similar circumstances they regarded the claim for extras as being well founded. I remember one case in particular in connection with the digging of the irrigation ditch near Calgary, in which such a claim was accepted at once by the railway company because it was felt that conditions had changed, through no fault of the contractor, and had imposed upon him an added burden. The benefit of the extra work having accrued to the railway company they were willing to pay, and in fact did pay.

The next principle in this measure is one which I suggest should be carefully considered by this house. If hon. gentlemen present will take the trouble to look at the last section of the measure, which is section 5, they will observe that very great powers are conferred upon the minister, to the exercise of which there is no limit. When I say "limit" I mean there is no reasonable limit as to the extent to which they may be exercised. Now, whatever may be said of human progress, I think at least it can be truthfully observed that today there is a tendency to limit the exercise of power by the executive and to rely more and more upon the exercise of power by the legislation branch of government. When one observes the provisions of section 5 it is seen that upon the representation and recommendation of the minister, resulting in an order in council, there is conferred upon the government of this country a power which might be tyrannical and which certainly would be autocratic. It is a power to make regulations dealing with almost every factor that might arise in the enforcement of the provisions of the statute itself, and if my hon. friend the Minister of Labour will be good enough to look at the last subsection, namely subsection (j), he will observe these words:

> generally for the due enforcement of the provisions of the act and the regulations.

In other words, this parliament is being asked to give to the minister a letter of credit which will enable him not only to pass regulations dealing with the various defined subjects in the statute but also to enforce the provisions of the statute itself as well as those of the regulations. Not only is he given the power to enforce, but he is given power to make regulations beyond enforcement.

Mr. STEWART (Leeds): And penalties also.

Mr. BENNETT: And that involves, my hon. friend has said, the question of penalties as well. Now, I ask my hon. friend the Prime Minister if it is sound legislation to ask parliament to confer these powers upon any minister, regardless of his politics. I leave out that question for the moment, because I am treating the Minister of Labour as an office and not as an individual at all. In this day is it sound legislation to confer powers upon one man, with the aid of a government passing an order in council, such as this section contemplates?

That is the third principle in this legislation. I am powerless, of course, to prevent such a section being enacted; I am entirely powerless to prevent it from becoming the law of Canada, but I am not powerless to present my protest against such arbitrary powers being conferred upon the holder of any office. Twice during this session of parliament I have had occasion to refer to what Lord Chief Justice Hewart terms his essay, but which in fact is a volume of considerable size. I refer again to The New Despotism, and in discussing the matter Lord Hewart refers to a number of cases decided by the courts in England in which they strongly criticize the exercise of this power by the executive branch of government. It is fatal to the development of our institutions; certainly it is fatal to democracy that any parliament should confer upon any office—and I am not now dealing with the hon. gentleman who holds the office—such an arbitrary power clothed with the possibilities of the tyrannical exercise of that power. I do not contemplate that that will be the case, but he is clothed with the possibility of exercising such tyrannical power, and I say it is subversive of the very freedom and liberty this parliament should possess, and is inimical to the interests of the people themselves.

The work of Lord Hewart deals with this matter in detail. By an odd circumstance, before the book had actually left the hands of the printers, although advance copies had been circulated, when a review had appeared, the Lord Chancellor was so impressed that he appointed a committee to investigate all the recent statutes passed in England, for the purpose of ascertaining the extent to which parliament had divested itself of authority and conferred upon officials such enormous powers as the powers indicated by section 5 of this bill. I trust the minister will pause before he asks this parliament to give him powers so great. I am not for one moment objecting to those powers being exercised by this minister, but I have objected consistently to such powers being exercised by any minister. I consider the present Minister of Labour (Mr. Heenan) a fair minded minister, but I do not think that it is in the interests of Canada that powers so great should be conferred upon any one individual under the modern democratic form of government where the temptations for abuse are as great as the powers here conferred.

The introduction of this bill at this time indicates what pressure will do in a democracy. Ten years had passed and this bill had not been introduced; it was not introduced by the predecessors of the hon. minister. It is perfectly true that the session after August, 1919, was more of a tentative nature than other sessions; it is perfectly true that the government of that day was defeated; the government of Sir Robert Borden disappeared and Mr. Meighen assumed office, and in 1921 he was defeated. There has been no opportunity since 1922 for any government other than a Liberal government to enact legislation of this nature, and the very fact that it has not been enacted up to this date indicates two things. The first is the confusion—using that word in no offensive sense—as between the relative legislative powers of the legislatures of the provinces and the parliament of the Dominion, and the other is the hesitancy to approach the solution of a problem under the terms and regulations of a treaty and of subsequent international conferences, because there are varying conditions in this country from east to west and there are varying ideas as to whether or not the terms of the treaty correctly interpret the opinion of the people of Canada.

I have said before, and I say it here again, that criticisms may be urged in some localities against this measure, and criticisms may be urged by some occupations. The farmer very probably may say that he has no eight hour day; the right hon. the Prime Minister very probably may say that he has no eight hour day, and the professional men may say the same thing. We have various classes which will contend that a statutory enact-

ment which imposes an eight hour day as the period during which labour shall be carried on by men engaged in certain activities, does violence to the known conditions under which men of other classes have to toil for hours varying from eight to eighteen.

There are many matters in connection with the passing of this legislation which in themselves are good reasons why the principle enunciated in section 5 should not be adopted, such as, pressure of circumstances, pressure of political friends, the pressure which arises from the contemplation of an early election and the desirability of securing the support of known classes in communities—all these things are known to us. Why endeavour to deceive ourselves? We know perfectly well that in many instances the government is influenced by circumstances, and human nature being as it is, that always will be so. The government must consider the necessity of securing support at the polls for their candidates at the approaching elections.

I would venture to suggest again to the hon. gentleman the desirability, nay the necessity, of this parliament considering carefully before it forces upon any officer, however eminent he may be or however fair-minded he may be, powers so great, so fraught with opportunities for tyranny, the exercise of which is repugnant to the very idea of our institutions, of the conventions and of the treaty itself which brought about the possibility of an international declaration for a forty-eight-hour week and an eight-hour day at fair wages.

Mr. ADSHEAD: In connection with the extras allowed to contractors, is it not a fact that the rates of wages are made known to the contractor before he signs the contract? I simply mention that because in the case of the Calgary post office the rates of wages were set and were known to the contractor before he signed the contract so that he would have no claim for extras in that regard.

Mr. BENNETT: I am certainly very grateful to my hon. friend for bringing that to my attention, because it was in view of the terms of this statute which we are now considering that I was directing attention to the danger. Subsection (a) of section 3 reads:

> All persons in the employ of the contractor, subcontractor, or of any other person doing or contracting to do the whole or any part of the work contemplated by the contract shall be paid such wages as are generally accepted as current from time to time for competent workmen in the district in which the work is being performed for the character or class of work in which they are respectively engaged; provided that wages shall in all cases be such as are fair and reasonable.

[Mr. Bennett.]

On reference to the section conferring upon the minister the powers to which I have referred, it will be observed that the minister has power to regulate the method of determining what are current or fair and reasonable wages and the preparation and use of schedules of rates relating thereto; rates of wages for overtime; classifications of employment or work; the publication and posting of wage schedules. It will be observed that the power conferred upon the minister by the bill and the regulations authorize him to make a variation from time to time in the rate of wages, and it is because of that difficulty—it is a real one and not an imaginary one—that I point out the desirability of having something in the form of a schedule, either definite as the hon. gentleman has suggested, or at least providing in definite terms for the rates of wages, so that a claim for extras would not be a matter of grace or favour, but a matter of right to the contractor who has imposed upon him a higher wage rate than that which he had in mind and which appeared in the schedule upon which he prepared his tender and upon which the contract was awarded. The contractor would have a just claim for extras which the government should pay for the services rendered.

I am quite sure that when the right hon. the Prime Minister considers this section and recalls the observations he made as to the desirability of restricting rather than extending the powers of the executive branch of government—even in times of war complaint was made that those powers were too extensive—he will find that in times of peace the exercise of this power is fraught with the gravest danger.

Mr. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I had not intended to speak on the second reading of this bill, but I think it is perhaps only fair to the minister himself, in view of what the hon. leader of the opposition (Mr. Bennett) has just said as to arbitrary powers being given by this legislation to the minister, to point out that the purpose of the section to which my hon. friend has referred is diametrically the opposite to that of conferring any arbitrary power. The section might have been worded:

> That the Minister of Labour may make regulations with regard to wages and hours herein provided for and without limiting the generality of the foregoing may provide by regulation for,—

If that had been the wording of the section the remarks of my hon. friend the leader of the opposition would have been most apposite,

but it does not say anything of the kind; it specifically restricts the power for the making of these regulations to the governor in council.

Mr. BENNETT: Upon the recommendation of the minister.

Mr. MACKENZIE KING: Certainly, upon the recommendation of the minister; every order in council is made upon the recommendation of some minister. The appropriate minister to make a recommendation with respect to any act is the minister by whose department the act is being administered. But my hon. friend will, I am sure, agree that because a minister brings in a recommendation to council, it does not necessarily follow that council automatically accepts and passes the recommendation. If that is the method in which orders in council have been passed in any government with which my hon. friend has been associated, I can assure him that it is not the method followed by the present administration. Ministers frequently have the greatest difficulty in getting their recommendations adopted by their colleagues and not infrequently fail entirely so to do. That is the distinct merit of our system of government in which the cabinet plays the important part it does. It prevents the will or wish of any individual who may happen to have a special interest which he desires to have promoted, prevailing at the expense of those who entertain opposite points of view or who are trying to protect other interests unless the object is obviously one wholly in the public interest.

What happens when a minister brings his recommendation to council is that the recommendation is very carefully scrutinized by all his colleagues. The Minister of Finance looks at the recommendation from the point of view of what it involves in the way of expenditure. The Minister of Railways looks at it from the point of view of how it is going to affect employees on government railroads or those which may be in competition with government roads. The Minister of Agriculture has his thought immediately directed to the conditions in the agricultural industry and he compares the effect of any suggested regulation with what is likely as a consequence to arise in that particular industry. So one might continue to mention all of the various points of view that are represented around a council table. The fact that authority is given to the governor in council and not to the minister is for the very purpose of avoiding the thing to which my hon. friend is taking exception, namely, giving to any single minister arbitrary power.

May I point out that with respect to any legislation there are usually all-important details with regard to which parliament is not as well qualified to deal as a department of the government or the governor in council. Take, for example, the various matters mentioned in this bill as matters which must be considered by the governor in council:

The method of determining what are current or fair and reasonable wages and the preparation and use of schedules of rates relating thereto.

Parliament might spend weeks in discussing what it is best to do in that regard and yet not find a solution that would really suit the circumstances of each case, for the simple reason that the law will apply to all parts of the Dominion, at all seasons of the year, under all circumstances and it would be almost impossible for parliament to anticipate some of the situations which will arise, but which, nevertheless, will have to be regulated in accordance with some general principle or rule. Take another item:

The publication and posting of wage schedules.

This is a question with which parliament surely would not wish to concern itself, for example, as to whether wage schedules were to be published in the Labour Gazette or the Canada Gazette, whether they were to be published in the form of bulletins to be posted on the works themselves or exhibited in some other way. Those are details with which the department itself can deal satisfactorily, but as regards which parliament would be only wasting its time if it sought to express any opinion beyond that of indicating in the legislation itself its desire to see that that particular feature is given attention.

The keeping of proper books and records and the examination of the same by government officers.

The fact that parliament mentions that the keeping of proper records is a subject with which the governor in council deals means, not that parliament is parting with any legislative power or control, but rather that parliament wishes to indicate that this particular feature should receive attention and the working out of it be left to a proper government department. It would be only occupying the time of the house unnecessarily to run through the other regulations as they are all much of the same nature.

To return to what I said at the outset: far from giving the minister autocratic powers, the purpose of the section in giving authority to the governor in council is so to circum-

scribe the minister that no single individual in the government, however worthy he may be or however worthy may be the cause that he represents, will have the opportunity of arbitrarily fixing rules and regulations, but will have to submit whatever he suggests to a jury, if I may term it as such, representative of all bodies of opinion in the country.

Mr. BENNETT: It is the executive branch and not the legislative branch of government.

Mr. MACKENZIE KING: Yes; but when a minister is submitting his regulations to his colleagues in council, to all intents and purposes he is appearing before his peers and making out a case if he is able so to do. My hon. friend speaks about government by order in council. I am entirely of his point of view that government by order in council should be restricted; that the supremacy of parliament is all-important. But there is a great difference between having general legislative power given in a statute to deal with any and all subjects by order in council and having power given under a particular statute to pass orders in council for the purpose of carrying out the objects of a particular statute. When I was seated in opposition where my hon. friend is at the present time and took such strong exception to government by order in council, it was because the government of that day had, because of war conditions, received from parliament under a War Measures Act power to deal by order in council with almost any subject; and were continuing in peace time to proceed under that measure: they had not repealed the statute which gave them power to legislate generally by order in council as I think it should have been repealed immediately the war was over, if indeed, it should ever have been introduced or applied as extensively as it was. That was the reason exception was taken, but that is a very different matter from taking exception to parliament enacting a measure for any specific purpose and in the measure itself giving to a minister of the crown or to the governor in council power to pass the necessary orders to see that the specific piece of legislation itself is carried out. So far as this act is concerned, parliament is doing something that is very clear and direct, something which it would appear is generally approved, namely, establishing an eight hour day so far as most of the construction under government contracts and the government's own employees are concerned, and directing that the wages paid to the government's own employees on works of construction and the like connected with our public works, shall be wages that are fair and reasonable. That is the principle and purpose of the measure. In passing the second reading, in adopting that principle, parliament has gone about as far as it is possible to go by way of necessary legislation, beyond giving to some authority what may be necessary by way of making the essential proper regulations to achieve these ends. I submit, so far as the regulations are concerned, that the clauses drafted circumscribe pretty effectively the action of any minister who may seek to be autocratic.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, while I can agree in general with the principle of the bill, there are one or two points in connection therewith which I desire to discuss. No hon. member will contend for a moment that the time is not long past due for the introduction of a measure of this character. I think the first time that labour representations to this effect were made to this government was as far back as 1925. There had been representations even before that time, but for considerably more than ten years, as the hon. leader of the opposition (Mr. Bennett) has said, this government or the preceding one has had before it proposals of this character. The eight hour day is on the one hand, just a small attempt to meet the increasing problem of the displacement of men by machinery, and on the other it is an effort on the part of those who advocate it to lessen the innumerable accidents which are becoming so great a burden on industry and the state. According to both medical authorities and other scientific investigators, long hours of labour have not only the effect of lessening the vigour and vitality of those so engaged, but towards the closing hour the percentage of accidents among men working long hours so strikingly increases that one can no longer doubt that the excessively long working day has been and is a major factor in industrial accidents. It has also been responsible for the high cost of accident insurance. The state as a whole, in my opinion, will gain by the introduction of this measure. Every industry in Canada would be well advised to follow the example set by this legislation by introducing at least the eight hour work day.

We have had in recent years the illustration of the burnt-out soldier, but few of us have discussed the existence of the burnt-out industrial worker. Yet as the result of high pressure work and long hours of labour men become so mentally and physically devitalized that after the age of forty many of them are no longer desired by industrial employers.

There is no doubt whatever that that has been one of the principal factors in our present unemployment problem. A study of the ages of those employed in industry in the province of Ontario will indicate that the average ranges from twenty-eight to thirty-five years of age. It is a fact that industry is increasingly requiring the services of young men who are capable of making quick adjustments of machinery rather than those who through long study have become experts in some branch of technical work. The long working day has also unquestionably been a factor in increasing the percentage of men who drink after they leave work exhausted and devitalized. No condition of the human body has so great a tendency to cause a man to thirst for an artificial stimulant of some kind as the exhaustion experienced after a long day's work, and on that ground the government is well advised in introducing this legislation. I notice that the Prime Minister smiles; I am quite certain he is not smiling at the underlying fact.

Mr. MACKENZIE KING: I was smiling at my hon. friend's thought of the need for stimulants after a long day.

Mr. GARLAND (Bow River): Industrial scientists in Great Britain, after making an exhaustive inquiry into and prolonged experimentation bearing upon the question of the maximum physical efficiency of the worker in relation to hours of work came to the conclusion that efficiency can best be reached by working a week of forty hours or less, and that once the forty hour week is exceeded, efficiency begins to decrease with every additional hour. Statistics in other countries show, as I have already mentioned, that the number of industrial accidents tends to increase after a certain number of hours of labour and that by far the highest percentage of accidents occurs in what is called the penultimate hour of the day's work. This, of course, is undoubtedly due to the lack of muscular control of the individual exhausted by excessive hours of labour.

One other reason in my opinion why this bill should pass the house unanimously is that it is but a long-deferred redeeming of our definite pledges in this matter. The national honour is at stake. That may seem almost a theatrical statement, but I feel sincerely, Mr. Speaker, that the national honour has been questioned for some time because of our apparent indifference to the promises we made over our signature in connection with these labour conventions.

I now come specifically to the bill itself, and I refer the Prime Minister and the Minister of Labour to section 3, which reads:

> Every contract with the government of Canada for construction, remodelling, repair or demolition of any work shall be subject to the following conditions respecting wages and hours:

That is all that is provided in the bill with regard to hours of labour. It is narrowed down to contracts. What about the penitentiary employees, men who to-day are working a shift of nine hours? Are they not to be included in this measure? What about the hospital orderlies in our own institutions who now work an eleven-hour day and a thirteen-hour night in alternate shifts? What about mechanics, machinists, electricians and many others? What about the employees of the Canadian National railway system, some of whom are working over eight hours a day? Frankly, Mr. Speaker, if I have any criticism of the measure it is that it does not go nearly far enough. I at hand have other illustrations with respect to employees of the government on the St. Lawrence waterway development, I find that many are working twelve hours a day. I grant you that there may be extenuating circumstances in the case of lockmasters. There are some lockmasters, however, whose hours of work should not be more than eight per day because of the character of the work which they have to do in that eight hours Of course, there are others who one day will have nothing to do and the next day may have to lock only a few boats through, but these are not the usual run of cases.

I say therefore, Mr. Speaker, in the first place, that because health is one of the foundations of the state, and because health is in a measure affected by excessive hours of work, this bill will tend to improve conditions and will therefore receive my support. Further, I am in favour of it because the loss of human life increases with longer hours of labour; because long hours of labour have a tendency to degrade by devitalizing human beings; because the state should be the first to recognize the value of the health and happiness of the worker, and because the mechanization of industry has created a real additional reason why the hours of labour should be reduced. But I would ask the Minister of Labour and the Prime Minister to take into consideration the point that I have raised with regard to the appearance of limitation in section 3 of the bill.

Mr. MACKENZIE KING: That has already been done by order in council. I think it covers the other classes.

Mr. GARLAND (Bow River): It covers all classes on federal work?

Mr. MACKENZIE KING: Yes.

Mr. GARLAND (Bow River): I am delighted to know it. I remember now that the minister did bring in some measure purporting to have that effect, but I had overlooked it.

Mr. POULIOT: Am I to conclude from the remarks of the hon. member that he would like the eight hour day applied to railway employees?

Mr. GARLAND (Bow River): I know it is applied to the greater part of the railway employees' work. What particular point does my hon. friend desire to make?

Mr. POULIOT: They are paid overtime after eight hours.

Mr. GARLAND (Bow River): My hon. friend apparently was trying to trip me up. I wish to direct the attention of the Minister of Labour to a particular type of employment to which consideration should be given. I will take a point like Drumheller in Alberta. The postmaster is engaged and paid by the Post Office Department. I take it that the postmaster engages his own help, at least if not in every case in most cases. I find that the workers employed by the postmaster are frequently compelled to work long hours and under most unfair conditions. I made some inquiries recently into the situation at Drumheller, which is in my constituency, and I find that work in the post office commences between 7.00 and 7.30 a.m. and concludes with the finish of the working day at 7.00 p.m.; that is a period of approximately twelve hours. One hour is permitted for lunch and an average of twenty-five minutes only for the evening meal.

Mr. VENIOT: That is not under regulations of the department.

Mr. GARLAND (Bow River): I realize that. That is why I am raising the question. I think some provision should be made to take care of cases of this kind. Not only are the people working in an exceedingly ill-fitted, badly ventilated and wholly unsuitable building—may I now congratulate the government on having recognized that and decided to remedy the condition—but the sanitary arrangements are utterly insufficient, and the result has been that some of the female helpers have had to undergo medical treatment. Here is a statement in regard to that:

Due to the latter hazard, periodical lay-offs by the employees are frequent, and medical advice is to the effect that the conditions of employment are responsible for these lay-offs. One girl tells me that the doctor advised more fresh air and shorter hours of labour, and this appears to be the usual prescription.

Now, Mr. Speaker, in view of that, may I ask the Minister of Labour to take into consideration some measure which would look after the indirect employees of departments like the Post Office Department of whom advantage is taken by the direct employees of the government? I may say that the principle of the bill is satisfactory to me, and I only wish it went further.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

Mr. BENNETT: I have, I suppose in common with many other members of the house, received telegrams suggesting that an opportunity should be afforded to those who are vitally affected to present their views. As the bill proceeds in committee, before it finally is disposed of it did occur to me that possibly the minister might allow the bill to go to one of the standing committees to have representations made by those who feel an injustice is being done to them with respect to some of the sections dealing with contracts and the right of the minister to increase wages from time to time—the very point mentioned by my hon. friend from East Calgary (Mr. Adshead) In view of those representations it strikes me it might be desirable to afford that opportunity to those who are under this misapprehension.

Mr. HEENAN: Yesterday at noon there assembled in this city a large delegation representing the manufacturers' association and contractors. It appeared to me they had a wrong conception of the purpose of the bill, and after we had discussed the bill for an hour and a half it was made quite clear to them that the bill was not intended to apply to factories. When I assured them that if there was any doubt about this a subsection would be introduced to make it perfectly clear, they went away fairly satisfied—of course, I would not say one hundred per cent satisfied, because my hon. friend will realize that the average employer of labour does not care for legislation such as this. As for the changing of the rate of wages after the contract has been signed, it has been the policy of the government of Canada for the past thirty years.

Mr. ADSHEAD: To change wages from time to time?

Mr. HEENAN: Yes. Except in probably a couple of cases, one of which my hon. friend, the leader of the opposition, mentioned this afternoon, it does not appear that this has resulted in any great hardship or injustice being done to employers. I am satisfied, as my hon. friend well said, that the government of Canada, no matter what party might be in power, would deal justly with both employers and employees. As I said, there have been two instances where the rate of wages has been changed after the contract had been signed. I recall that in 1913 or 1914 circumstances arose in connection with a contract which required the contractor to pay higher wages than were provided for, and my hon. friends themselves before going out of office in 1921 compensated the contractor for the extra cost, although they need not necessarily have done so under the terms of the contract, but I presume they felt it was fair and right that compensation should be granted. At the present time, as my hon. friend has stated, there is a claim against the government under a contract because of the rate of wages having been increased, notwithstanding the fact that the present fair wage regulations make the minister's decision final in the matter. I am satisfied that the minister of labour in any government would be perfectly within his rights in recommending to his colleagues whatever might seem to him just in relation to either contractor or employees. With respect to the Welland canal contract which I believe the hon. member had in mind, the decision of the Minister of Labour has been submitted to a commission for consideration. The present minister has no hesitation in taking such a course.

My hon. friend the leader of the opposition seems to think that clause 5 gives too much arbitrary power to the minister. As the Prime Minister pointed out, it extends only so far as the cabinet by order in council may specify what powers the Minister of Labour may have in the matter; and inasmuch as this practice has prevailed for almost thirty years, and very little injustice has been done to any contractors, I think my hon. friend will agree that no injustice will be done while the present Minister of Labour is in office—which will be so long as he or I remain in public life during the next forty years.

My hon. friend from Bow River (Mr. Garland) admitted, I think, that he had forgotten that this bill was only a part of the program of the government as to the eight hour principle, because he spoke with respect to employees directly engaged by the government and not working for contractors. I want to draw my hon. friend's attention to the order in council that was passed on March 27, 1930.

Mr. GARLAND (Bow River): What day was it tabled in the house?

Mr. HEENAN: I am not so sure about that; it was a couple of days after.

Mr. MACKENZIE KING: I think it was the same or next day.

Mr. HEENAN: It was within a couple of days anyway. I wish to put on Hansard a certified copy of a minute of the meeting of the committee of the privy council, approved by His Excellency the Governor General on March 27, 1930.

The committee of the privy council have had before them a report, dated 19th March, 1930, from the Minister of Labour, submitting as follows:—

1. That it was recognized in the labour part of the treaty of Versailles and the corresponding provisions of the other treaties of peace, that the well-being—physical, moral and intellectual—of industrial wage earners is of supreme international importance, and that although differences of climate, habits and customs, economic principles and industrial traditions, make strict uniformity in the conditions of labour difficult of immediate attainment, there are methods and principles for regulating labour conditions which all industrial communities should endeavour to apply, so far as their special circumstances will permit.

2. That approval was expressed in the peace treaties of the principle of the eight hour working day.

3. That a draft convention was adopted at the first session of the conference of the international labour organization (League of Nations) in 1919 to limit hours of work in industrial undertakings to eight hours per day.

4. That the draft convention above mentioned was referred in 1924 to the select standing committee on industrial and international relations of the House of Commons of Canada for examination and report.

5. That on the recommendation of the committee on industrial and international relations of the House of Commons, approved by the House of Commons, the draft convention on hours of work in industrial undertakings was referred by order in council to the Supreme Court of Canada with a view to determining the jurisdiction of the federal and provincial authorities, respectively, on this subject.

6. That the judgment of the Supreme Court of Canada contained the following declaration: "The subject matter is generally within the competence of the legislatures of the provinces but the authority vested in these legislatures does not enable them to give the force of law to provisions such as those contained in the draft convention in relation to servants of the Dominion government, or to legislate for those parts of Canada which are not within the boundaries of a province."

7. That a report from the Civil Service Commission which was submitted to Your Excellency in Council under date of February 16, 1925.

showed that the standard daily hours of work of monthly rate employees in the government departments are from 9 a.m. to 5 p.m. with an interval for luncheon and a half holiday on Saturday, and that the standard hours of prevailing rate employees, numbering 1,576 in Ottawa and 18,264 outside Ottawa (of whom 12,247 were postmasters paid on percentage basis), are 44 hours per week, based on an eight hour day for five days, and 4 hours, or a half day, on Saturday.

Certain exceptions to these standard hours of work were also noted in the report of the Civil Service Commission.

8. That request has been made to the government for the granting of the eight hour day to its own employees.

9. That it is desirable that the principle of the eight hour day should be applied to any branches of the public service of Canada in which it is not now observed.

The minister accordingly recommends that, except in cases where the work of employees is intermittent in character, or the application of this rule is not deemed to be practicable or in the public interest, the hours of work of any employees of the Dominion government who are still required to work more than eight hours daily be reduced to eight hours daily, with a half holiday on Saturday.

The committee concur in the foregoing recommendation and submit the same for approval.

Following that there was an order in council by the Customs department granting the eight hour day to all employees in that particular department. I do not know whether it is necessary to read this order in council.

Mr. WOODSWORTH: While we do not need this detail, do I understand that this is merely a recommendation, and that each department has still to pass a special order in council before it becomes effective?

Mr. HEENAN: Yes. I do not like to give away cabinet secrets but I might say that within a few minutes after that order in council was passed the Minister of National Revenue introduced an order in council which was passed; the effect of that action was that somewhere in the neighbourhood of 2,500 and 3,000 employees were placed on the eight hour day basis. I wish to say for the information of my hon. friend that while there are in the neighbourhood of 50,000 employees of the Dominion government, they all are working eight hours or less each day, with the exception of about 6,000 employees at outside points. So that half of those who were working more than eight hours have been already placed on the eight hour day basis. I have not had time to see what the other departments are doing, but I know that they are all going to adopt this measure, with the exception, as stated, of cases where it is not in the public interest to do so.

[Mr. Heenan.]

Mr. GARLAND (Bow River): In other words I take it that my objection stands, and that no provision has been made for the application of the eight hour day to penitentiary guards, hospital orderlies, and certain mechanics, machinists and electricians employed by the government.

Mr. WOODSWORTH: And employees of the House of Commons.

Mr. HEENAN: Any more than the general policy which has been adopted within the last few days. I think hon. members can leave it to the departments to see that they are provided for.

Mr. GARLAND (Bow River): I do not think we can do that. It seems to me the minister is "passing the buck"—I believe that is the expression he used when he was talking to the legislative assembly of Ontario some years ago on the unemployment problem. I think he is passing the buck to the department now. This provision should be included in the bill and made statutory.

Mr. HEENAN: At any rate the public servants of Canada seem to be pretty well satisfied that they are going to be well treated, and I think a fair start has been made since half of those employees working more than eight hours a day had their working time cut down to eight hours within a very few moments after the general policy of the government was decided upon.

I never have been one of those who thought that matters were progressing just as fast as they should progress in advanced legislation of this nature, but I think perhaps it would be well to review briefly the history of fair wage legislation in this country so far as it applies to Dominion undertakings. My hon. friend the leader of the opposition went on to say that this matter was ten years overdue, and I think he left the inference that if his party had had the opportunity this eight-hour day legislation would have been enacted long ago. If we go back, we will find that fair wage legislation with regard to Dominion works had its inception in 1897, when Sir William Mulock, now the esteemed Chief Justice of Ontario, appointed a young gentleman then in his early twenties to survey and investigate the conditions under which supplies for the Dominion government were manufactured. I should like to read the conclusion of that report, which summarizes the report itself. It says:

The conclusions of the investigation may be briefly summarized as follows:

1. Practically all of the clothing manufactured for the government of Canada, under the contract system of the past ten years, has been

manufactured, for the most part, on premises other than those of the government contractors, and according to one of the three modes of subcontracting already described. As a result of this the government contractors have had no immediate supervision of the contract work, and have, in fact, only assumed a partial responsibility for the methods and conditions under which it was performed. In other words, the contractors, while reaping the benefits of the contract in question, have failed to discharge adequately the duties and responsibilities which may not unfairly be regarded as appertaining to the proper carrying out of their obligations.

2. Most of the work on government clothing has really been executed by women and girls. Where these have been employed in shops their wages have been, on the whole, exceedingly low; and where the work was performed in homes the prices paid were often such as to necessitate long hours of labour for a very meagre return. In the case of those employed by subcontractors the general rule has been to require a maximum amount of work for a minimum amount of pay. Exceptionally long hours and other objectionable features have marked the course of the employment of the workers in the homes and of not a few in the shops.

3. The introduction of a subcontractor, who resorts to hired help, has involved the necessity of realizing a double profit out of the work of the hands and, as a consequence of this and the competition of subcontractors, the wages of the large majority of those engaged in government work have suffered a considerable depression. The wages received will not bear comparison other than unfavourable with those paid as a fair return for labour in other trades or occupations.

4. The conditions under which much of the government work has been executed have been such as to prove injurious to the health and well-being of those engaged in it. There has been no proper or adequate inspection of the methods or the work itself, and, as a consequence, individuals and the public alike have been exposed to continuous risk from the spread of contagion as well as to harm in other ways.

I need scarcely add that the existence of such conditions, apart from any other attendant evils of the sweating system, constitute emphatically, in the words of your communication, "sufficient grounds for government interference in order that future contracts may be performed in a manner free from all such objectionable features." The step in this direction which has already been taken by your department cannot fail to bring about a much needed reform, and be productive of great and lasting good to the industrial classes of this country.

I have the honour to be
Your obedient servant,
W. L. Mackenzie King.

That is dated Toronto, January 5, 1898. So it will be quite evident that the question of fair wages on public contracts was first conceived by the Liberal party at that time, and as a consequence, in 1900, Sir William Mulock introduced the following resolution:

That it be resolved, that all government contracts should contain such conditions as will prevent abuses, which may arise from the subletting of such contracts, and that every effort should be made to secure the payment of such wages as are generally accepted as current in each trade for competent workmen in the district where the work is carried out, and that this house cordially concurs in such policy, and deems it the duty of the government to take immediate steps to give effect thereto. It is hereby declared that the work to which the foregoing policy shall apply includes not only work undertaken by the government itself, but also all works aided by grant of Dominion public funds.

That resolution was adopted in 1900.

Mr. CHAPLIN: What was the date of the report?

Mr. HEENAN: It was early in 1898. In conformity with that resolution there has been inserted in government contracts ever since a clause requiring the observance of the current rate of wages and working hours in the districts where the work is being done, and it has been provided also that in the event of any dispute arising as to what were current wages or hours, the dispute should be settled by the Minister of Labour. In most cases the fair or reasonable wages have been embodied in the schedules, and in other cases this has been done by way of a general fair wage clause. For the information of the house I might say that where a contract can be carried out within a reasonable time, say a year, the schedule of wages has been embodied in the contract, but where it is to be expected that the work will take three or four years, as was the case with the Welland canal, a general fair wage clause is inserted to the effect that wages will be based on the conditions prevailing from time to time. That is what is known as the general wage contract.

In 1907, the present Speaker of the House of Commons, then Minister of Labour, recommended to the governor in council that the schedule of wages to be paid to the workmen should be posted in a conspicuous place, so that the men could observe what they were entitled to. He recommended also that the books of the employers should be open for inspection, and fair wage officers were employed by the government to go around to see that the fair wage clause was being carried out.

We come down to 1922, because between 1911 and 1921 no amendments or added provisions of any description with respect to this matter were put into effect. In 1922 the Hon. James Murdock, in order to provide for more uniformity in the departments, put through an order in council to take care of every eventuality which could be conceived, and the matter has been handled in that way ever since. For the information of my hon. friends I would state that we have a number of

fair wage officers who travel around and make inspections and reports. Very often they find a contractor who is not paying the schedule of wages, and in every case I know of we have collected the back wages due to the men.

I would point out that the contracts for manufacturing of supplies are provided for by the order in council of 1922. The bill now before the committee is not supplanting that order in council; as I said before, it is a distinct step in the right direction, and I am very glad to have the honour as Minister of Labour under the leadership of the Right Hon. William Lyon Mackenzie King, who made the first recommendation in connection with fair wages, of presenting this bill to the house.

Mr. CHAPLIN: Mr. Chairman, this bill refers particularly to contracts, and I would like to know how the minister proposes to take care of such cases as were illustrated a few days ago by two or three members from Nova Scotia. The minister tells us that he is responsible for good wages being paid, and I would like him to inform this committee if he is looking after the interests of those men who perform day labour for the government.

Mr. HEENAN: I am glad that the hon. member has raised that question. While the hon. members for Nova Scotia were discussing this matter, they were directing their inquiries to the Minister of Public Works (Mr. Elliott) and I did not take much part in the discussion. Those hon. members mentioned cases where 25 cents per hour was being paid on certain work. I would point out that the policy of the government has been to pay the prevailing rate obtaining in the particular district, and if the prevailing rate was 25 cents per hour that would be the rate paid by the Minister of Public Works. In many outlying points in Nova Scotia the prevailing rate of wages paid by the provincial government for road work and other construction was previously 25 cents per hour for common labour. About a year ago I sent officers of the Labour department to Nova Scotia to consult the provincial Minister of Public Works, when it was pointed out how difficult it was for our department to set a decent wage while the provincial government was paying only 25 cents per hour. The provincial minister pointed out that if 35 cents per hour were paid it would cost them over $1,000,000 to complete the work they had on hand, but he agreed to pay 30 cents per hour. It was through the instrumentality and the activity of this Department of Labour that workmen upon highways in Nova Scotia are now receiving 30 cents per hour. I think it was the hon. member for Pictou (Mr. Cantley) who brought up one particular case, and I pointed out that in his own locality the employers of labour established the prevailing rate, and I admitted to him that the rate established was very low. With this bill we are taking a decided step forward.

Mr. BELL (Hamilton): Mr. Chairman, I desire to associate myself with the request made by my hon. leader (Mr. Bennett) that this bill be considered by one of the standing committees of the house. I have no doubt that many members have had the same experience I have had during the last week or ten days, namely, that of receiving many communications from organizations and individuals who desire to be heard in connection with this bill. Although the minister received a delegation last night, I have no doubt that there are many more who expected and desired an opportunity to be allowed to make their representations. I know of at least ten or twelve important manufacturing firms who would like to be given an opportunity of making representations, and of equal consequence to them, there are to my knowledge at least eight or ten important labour organizations who would like to be heard. For that reason, sir, I trust that the minister will now make it possible to send the bill for consideration to one of the committees, where all those who are interested in such a vital matter as this may have a fair opportunity of being heard.

Mr. HEENAN: I hope my hon. friends will not persist in that attitude because the bill is of a very simple nature. It has been discussed with representatives of the manufacturers, the contractors, and I understand the representatives of labour are generally in accord with the bill.

Mr. BELL (Hamilton): They want a great deal more.

Mr. HEENAN: I hold in my hand the following letter, dated at Ottawa, April 8, 1930, and addressed to the Minister of Labour:

> I enclose copy of the press statement which was issued from this office a few days ago regarding the Fair Wages Bill introduced by you as a government measure.
>
> In this, reference is made to our disappointment that Bill 49 did not go so far as the draft bill which we submitted to the government prior to the opening of the session. This must not be taken, however, as meaning that we are any less appreciative of the action taken in submitting legislation providing for the payment of fair wages and the enforcement of the eight hours day on government contracts and jobs done by the government by day labour.
>
> We recognize that this measure complies with three major requests contained in our

draft bill, namely the fixing for the first time of statutory authority for the enforcement of fair wages on government works whether such are provided for or not in the individual contract; the application of fair wages and hours conditions on jobs done by the government by day labour, and the compliance with the provisions of the Washington (1919) eight hour day convention so far as the jobs covered by the bill are concerned.

For these reasons the organized labour movement, as represented by the Trades and Labour Congress of Canada, sincerely trusts that your government will make every effort to have this bill placed on the statute books.

Yours sincerely,

Tom Moore,

President,

Trades and Labour Congress of Canada.

I know, as my hon. friend stated, that the labour men of Canada would like to make other provisions in the bill, but I believe they recognize it is a step in the right direction and they are quite willing that with respect to legislation of this character we should proceed step by step. Let me repeat that representatives of the manufacturers' association and representatives of construction companies, now that they are acquainted with the provisions of the bill, are not adverse to it so long as it is made quite clear that it does not apply to industries nor to the manufacture or fabrication of materials. I pointed out to the manufacturers, and I think every hon. member will realize, that no contractor who treats his men fairly and respects the provisions of his contracts need have any fear in connection with this particular bill. The only people who need have any fear of it are those who undercut, who take a contract at too low a figure and later try to obtain profits by sweated labour. I hope my hon. friend does not insist that the bill go to a special committee, because the legislation is so simple that I cannot see any object that can be served by sending it to a special committee.

Mr. CHAPLIN: A few minutes ago I told the minister that this bill referred only to contracts. He has just read us a letter from the Trades and Labour Congress asking about jobs done by the government not under contract.

Mr. HEENAN: That is in the bill. I did not quite get my hon. friend's question.

Mr. CHAPLIN: Will the minister show me where it is in the bill?

Mr. HEENAN: Clause 4 says:

> The wages and hours of all workmen employed by the government of Canada on such works as are described in section 3.

That is, works done by the government itself.

Mr. CHAPLIN: Under contract. It does not apply to jobs done outside of contract.

Mr. HEENAN: Clause 3 provides for contracts and subcontracts. Clause 4 provides for wages and hours of all workmen employed by the government of Canada on works similar to those described in clause 3 namely, contruction, remodelling, repair or demolition of any work.

Mr. CHAPLIN: Clause 4, as I read it, applies only to clause 3, and clause 3 applies only to contracts and not to jobs not done under contract. If the minister can show me where jobs done by the government by day labour are included in the bill, I have nothing more to say.

Mr. HEENAN: It may be that the bill is not quite clear.

Mr. CHAPLIN: The minister ought to know his own bill and be able to explain its provisions.

Mr. HEENAN: Sometimes it is difficult to explain to my hon. friends the meaning of anything.

Mr. CHAPLIN: The minister had better take out another insurance policy such as he spoke of a little while ago.

Mr. HEENAN: Clause 3 provides for contracts and subcontracts.

Mr. CHAPLIN: Where are the subcontracts?

Mr. HEENAN: I will read:

> All persons in the employ of the contractor, subcontractor, or of any other person doing or contracting to do the whole or any part of the work contemplated by the contract shall be paid . . . .

So-and-so.

Mr. CHAPLIN: That all applies to contracts and subcontracts. It has nothing to do with work done by day labour.

Mr. HEENAN: We will come to clause 4, which reads:

> The wages and hours of all workmen employed by the government of Canada on such—

Or similar works.

Mr. CHAPLIN: As are described in section 3.

Mr. HEENAN: Yes.

Mr. CHAPLIN: That is under contract.

Mr. HEENAN: Clause 3 is the construction, remodelling, repair or demolition of any work.

Mr. ROSS (Kingston): I am also rather in doubt in regard to this point and I would like the minister to make it clear. I have been talking to two or three who are as much interested in this as I am and I am in doubt whether it covers the ordinary day work done through the government, the Department of Public Works, the Department of National Defence. I can give instances where men have been cut down five or ten cents an hour on these jobs. I have been trying to study the two clauses and there is reason for doubt whether the minister is covering this class of work. I would like him to make sure that it is covered. As regards contracts, I have not seen much difficulty in my constituency, but I have seen a good deal of difficulty under the day labour work by the government, little jobs where the workmen were cut down five or ten cents an hour. The minister would be well advised to have it fairly provided that such men are protected.

Mr. CHAPLIN: Two or three words would cover the point, but the minister will not insert them.

Mr. HEENAN: I did not say that I would not insert them.

Mr. BELL (Hamilton): The minister told the house a few minutes ago it was the duty of one of the inspectors employed by the government to visit various works and see whether or not there was undercutting of wages. I should like to know whether the minister was in the house when it was specifically charged by the hon. member for Pictou that there were many cases in which the inspectors of the department had visited contractors and got them to reduce the rates of wages which they were paying. If so, has the minister inquired into that allegedly very grave condition, and what has he to tell us about it now?

Mr. HEENAN: The minister was in the house, but he did not understand the hon. member for Pictou to make such a statement. What I understood him to say in connection with day labour was that he knew of engineers to come along and get the engineer in charge of the work to cut down the wages because they were higher than the prevailing rate of wages in the district. That is my understanding of his remarks. As I have tried to point out, we are providing in this bill for those men who have not been under the Department of Labour before but have been employed as day labourers by other departments.

[Mr. Heenan.]

Mr. CHAPLIN: Where is the clause that covers that?

Mr. HEENAN: Clause 4.

Mr. BELL (Hamilton): As I do not wish to delay the committee I will defer the matter for the present but will bring it up later and ask the minister to be good enough to explain.

Sections 1 and 2 agreed to.

On section 3—Government contracts subject to certain conditions.

Mr. WOODSWORTH: Subsection (a) says:

> All persons in the employ of the contractor, subcontractor, or of any other person doing or contracting to do the whole or any part of the work contemplated by the contract.

And so on. I should like to know just how far that clause goes. Increasingly in building operations, for example, a great part of the work is not done on the spot, but outside, sometimes by others. In the old days almost all the stationary fixtures were made by workmen employed on the spot, but nowadays nearly all these fixtures and other furnishings are brought in from the outside. All hardware supplies, for instance, are brought in from the outside. Even the woodwork today is very largely manufactured in some factory outside and is simply brought in and set up in the building. The stonework is in some cases at least partly dressed outside, and is then brought in and set up in place. Are those who are engaged in this outside work at all protected under this clause?

Mr. HEENAN: That brings up the point that I wanted to discuss. It is not contemplated under this act to go into the factories where they are making furnishings, for example, and supplies for public buildings. Those things, as I have already said, have been covered by order in council for a number of years, and we intend to exercise the same supervision over them as we do now prior to the passing of this legislation. I think my hon. friend will readily see that if a contractor sublets a contract for furnishings, for instance, to some factory, we would be going a long way if we were to follow that into the factory and see that the employees engaged on that particular job worked only eight hours a day even if the rest of the factory were not working on the eight-hour day. We would be getting pretty close to entrenching on the provincial jurisdiction. This is what might be called experimental legislation. In other words, it is a first step, and if in the working

out of the act we find any hardship or injustice or if the act does not work out properly in any other way, the government contemplates amending the legislation as the occasion arises. Replying specifically to my hon. friend's question, if a subcontract is let to a factory, the workers in that factory would not be covered by this particular clause. But I propose to amend section 3 by adding this:

The provisions of this section shall not apply to persons employed in the fabrication or the manufacture of materials, supplies or equipment for use in the work contemplated where such fabrication or manufacture is carried on in any established plant or factory other than a plant or factory established for the purpose of the work contemplated.

Mr. WOODSWORTH: It semes to me that such an amendment as that proposed would violate the very principle that we have just now adopted by the second reading of this bill. The underlying principle is that so far as this parliament is concerned, the workers who are employed shall be treated fairly as regards both wages and hours of labour. The bill apparently does not cover all classes of workers. Let me give a particular instance. In the old days stone buildings were constructed almost entirely of stone, and under conditions then existing but which no longer prevail it would be possible by such legislation as this to protect the worker by insisting that everyone who worked on that job should receive the fair wage, and work for only so many hours a day. To-day, as we all know, even stone buildings are composed in part of structural steel, and a very considerable proportion of the work is done entirely outside of the local job, in factories located perhaps hundreds of miles away. The minister is taking the ground that there is no way of safeguarding the interests of the workers who are located off the local job. In the Algoma Steel works at Sault Ste. Marie, and also in the Besco plant at Sydney, certain classes of steel workers are working eleven and thirteen hour shifts and seven days in the week; at least, they get a holiday one day in the week but they have to make it up the next week by working twenty-four hours on end. I think that is a disgraceful state of affairs; it ought not to exist in a civilized country. We pledged our solemn word in the Versailles treaty that we would stand by the principle of the eight hour day. We are expecting the other nations to stand by their obligations, and yet we have not been able to carry out our own solemn obligation. I know that the excuse is made—I consider that it is very largely an excuse—that the federal government is clear when it passes this responsibility on to the competent legislative authority. I cannot think it is in keeping with the spirit of the Versailles treaty for us to claim that we have done our whole duty when we pass these obligations on to some other body without impressing upon them the necessity of living up to them. Surely we cannot have divided sovereignty of that kind. If we are given the authority to make a treaty I should say, although I do not happen to be an international lawyer, that we have a certain responsibility for carrying out the terms of that treaty. Even supposing it were true that this was entirely a provincial matter, I should say that when it comes to work carried on for our own Dominion government we have every right, if we would live up to the principle of the eight hour day, to insist that work should be done under fair conditions, whether it be on Dominion government property or elsewhere. It would seem to me that it is the fair thing to insist that the steel workers at Sault Ste. Marie and Sydney should have the eight hour day and fair wages, and that it would be quite competent for this government to stipulate that they will not take steel from those works except under these conditions.

THE ROYAL ASSENT

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, His Honour, the deputy of His Excellency the Governor General, desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, the house went up to the Senate.

And having returned,

Mr. SPEAKER informed the house that the deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

An Act to amend the Timber Marking Act.
An Act to amend the Patent Act.
An Act to amend the Supreme Court Act.
An Act respecting the Canadian Pacific Railway Company (division of capital stock).
An Act respecting the Canadian Pacific Railway Company (branch lines).
An Act to provide for the extension of the boundary of the province of Manitoba in the northwest angle inlet of lake of the Woods.
An Act to amend the Indian Act.
An Act respecting The Dominion of Canada General Insurance Company and to subdivide the unissued capital stock.
An Act respecting The Eastern Canada Savings and Loan Company.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

FAIR WAGES AND HOURS

The house resumed consideration in committee of Bill No. 49, respecting fair wages and an eight-hour day for labour employed on public works of the Dominion of Canada—Mr. Heenan—Mr. Johnston in the chair.

On section 3—government contracts subject to certain conditions.

Mr. WOODSWORTH: When I was interrupted by the knocks of the Gentleman Usher of the Black Rod I was trying to direct the attention of the minister and the members of the committee to the number of workers who apparently are not protected by this section. So far as I can see, there is nothing in the proposed legislation which covers the government's own employees. Section 3 deals with contracts for construction and so on. It does seem to me that when any legislation enacted to provide for fair wages and the eight-hour day should apply to the employees of the government whether on construction work or in departments such as the Post Office Department, the employees of which are notably underpaid. I should like to have an explanation on that point from the minister, and I should like to ask what he can do in the matter. Further, the bill does not seem to me to apply to those who are directly employed by the government of Canada, such as day labourers. I am inclined to think that objection on this ground is well taken, since section 4 refers only to those classes enumerated in section 3, and in my judgment section 3 would not protect those who are directly employed by the government, as day labourers are frequently employed on public buildings. The particular point I was emphasizing, however, is that under modern conditions a large part of the work is done by subcontractors, and the majority of those who do the work connected with these buildings are not actually working on the immediate premises. That is coming to be increasingly true. I was giving the illustration of the steel required in connection with stone and reinforced concrete work. This steel is fabricated off the premises of course, yet it enters directly into the construction work. Apparently there is no protection whatever for people engaged in the work of fabricating steel or wood or any other material. I do not think that is as it should be, because it shuts out a large proportion of the workers.

[Mr. Speaker.]

In answer to a question of mine a short time ago the minister said these other workers already were covered by order in council. I can hardly think that the minister caught my question or that he has given quite the correct answer. For example, in connection with steel I would refer to the steel works at Sydney, where the men work continuously for twelve hours a day. They are not protected under this legislation. The minister has sent me a copy of an amendment which he is about to propose. That amendment would make it very clear that these workers are not protected by this legislation, and I do not think they are protected even by order in council. My point is that, since we are getting a little away from orders in council, and especially in cases where the workmen are not protected by order in council, there should be inserted in this act some more direct provision by which they would receive just as much protection as those who are immediately engaged on the job.

Mr. HEENAN: It is probable that the employees of industries engaged in fabricating supplies for use in government work are not included either under order in council or under this act. I think my hon. friend will see that it would be almost impossible to fill orders if we went as far as he would like to go. For instance, supposing we gave a contract, and the contractor wanted to sublet the contract for steel. It is very doubtful whether any plant in Canada would accept the order if they had to enforce the eight hour day, and probably we would have to go to the United States in order to get material produced under those conditions.

Mr. WOODSWORTH: You would not have to do it very frequently.

Mr. HEENAN: I think I know what my hon. friend wants, but the government feels that would be going a little too far at the present time. I want to make it perfectly clear, in order that there may be no misunderstanding; in fact I have an amendment I should like to bring before the committee which makes it quite clear that this legislation does not apply to the manufacture or fabrication of certain materials. Another point has been brought up with which I may as well deal at the same time; it is whether or not the present legislation would apply to contracts now in existence. Therefore I desire to move:

That section 3 be amended by inserting after the word "contract" in the first line thereof the words "made hereafter."

That will make the section read, "Every contract made hereafter with the government of Canada." I desire also to move that section 3 be amended by adding thereto the following as subsection (2):

The provisions of this section shall not apply to persons employed in the fabrication or manufacture of materials, supplies or equipment for use in the work contemplated where such fabrication or manufacture is carried on in any established plant or factory other than a plant or factory established for the purpose of the work contemplated.

Mr. WOODSWORTH: What about the other two classes?

Mr. HEENAN: Day labourers who are employed directly by the government come under the order in council which was passed a few days ago.

Mr. CHAPLIN: Before dinner the hon. minister told us that they would come under section 4. Would he mind reading the order in council?

Mr. HEENAN: I left the order in council in my office; I thought we had finished with it.

Mr. CHAPLIN: You have not quite finished with it yet.

Mr. WOODSWORTH: They would not come under section 4.

Mr. HEENAN: Those are the employees of the government who are doing all kinds of manual labour.

Mr. WOODSWORTH: They would not be protected by this legislation?

Mr. CHAPLIN: No.

Mr. HEENAN: The order in council would protect them. Section 4 provides for such men as are engaged to do day labour on the building of bridges, piers, docks, or anything of that nature and who are not permanent employees of the government; in other words, workmen employed on construction, remodelling, repair or demolition of any work. The order in council provides for an eight-hour day for the permanent employees of the government, while section 4 of this bill protects those men engaged for day labour on such construction work as is outlined in section 3.

Mr. MacLAREN: Would this bill apply to the employees of harbour commission boards?

Mr. HEENAN: **No.**

Amendment agreed to.

Section as amended agreed to.

Sections 4 and 5 agreed to.

Mr. BENNETT: Mr. Chairman, before the bill is reported, I desire again to point out to the minister that I have received a substantial number of telegrams asking that an opportunity be afforded to those who may be affected in a practical way by this bill to present their views before a committee of the house. It is rather difficult to believe that the government has discharged its duty by the minister interviewing a group of gentlemen and then stating that they represent the whole body of those affected. The hon. minister apparently thinks that a delegation which spent an hour and a half with him represented the whole body of employers or employees who might be affected by this bill. It is true that this is a government measure, and the explanation given by the minister as to the course pursued when the delegation was here is at least some justification for his taking the view he does. But, as I suggested to him this afternoon, when the bill first went into committee, an opportunity should be afforded to those interested to satisfy themselves with regard to this measure. I am unable to determine the effect of the amendments without seeing them in the bill, and I am unable to realize their relation to the other clauses of the bill. I would suggest to the minister that if the bill is now reported it should be reprinted with the two amendments before it is given the third reading, so that we may be able to understand fully the operation of the proposed legislation. Then it could not be said, because of difficulties which might arise in the future, that we had neglected the duty devolving upon us with respect to legislation giving effect to an international treaty, the greatest the world has ever known.

I was unable to understand what the hon. minister had in mind when he went to such great lengths to show what somebody else had done some twenty years ago. The basis of this legislation is a treaty of peace between warring nations of the world, and when it was said the other day that the then prime minister, Sir Robert Borden, had taken an active interest in connection with the labour clauses of that treaty, the Prime Minister interjected some doubt as to whether or not he had ever seen those clauses. As a matter of fact that is not the record, and if he will take the trouble to inquire he will find that certain clauses in their present form were attributable to the work of revision by Sir Robert Borden. That is not second-hand evidence, and the right hon. gentleman can satisfy himself upon that point. Why go back to show what somebody else had in

his mind years ago, unless the purpose was as I indicated this afternoon? The minister's purpose was so apparent that I think it my duty to expose it.

The only other matter which remains for consideration is whether or not the legislation itself gives effect to the provisions of the treaty, and of the international conferences which were held under the treaty, in such a way as to protect alike the interests of employers and employees. As I said this afternoon, employers were represented as well as employees at the first international labour conference held by the League of Nations, and since the minister does not seem disposed to send this bill to a committee for consideration, I suggest that before the third reading it be reprinted in order that some of us who are interested may be able clearly to understand whether or not under the decision of the supreme court parliament is overstepping the powers which the provinces enjoy. As I said to the minister this afternoon, when the Minister of Justice (Mr. Lapointe) was not present, I have always had grave doubts of the effect of section 92 of the British North America Act conferring exclusive legislative jurisdiction upon the provinces with respect to international treaties, having regard to the decision of the privy council in the British Columbia case. That point does not seem to have been considered by the supreme court in connection with the reference made to it regarding the relative jurisdiction of the provinces and the Dominion to enact an eight hour day law or provide for a forty-eight hour week.

Bill reported.

EXCISE ACT AMENDMENT

Hon. W. D. EULER (Minister of National Revenue) moved the second reading of Bill No. 48, to amend the Excise Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Power to examine on oath.

Mr. BENNETT: As the minister proceeds may I ask him whether he does not think there is a possibility of substituting as judges officers of the department who necessarily are charged with a sense of their own responsibility? That is the only observation I had in mind in connection with this proposed legislation when I read the bill. Does the minister follow me?

Mr. EULER: I do.

[Mr. Bennett.]

Mr. BENNETT: Power is given to summon witnesses, to pay the expenses of such witnesses, and to arrive at conclusions mostly judicial in character. That power is given to officers of the department who cannot be said to be other than charged with the responsibility of securing convictions for breaches of the law.

Mr. EULER: Even under the amendment as it stands in the bill, this power would not be given to inferior officers of the department, if I may so term them. It confines the power pretty well to what are known as superior officers. My deputy informs me that in the interpretation of the act this means inspectors, and of course the commissioner or the assistant commissioner. The amendment is designed more particularly for use in instances in which an investigation is desired at remote places throughout the Dominion where a commissioner is not readily obtainable. I think I may assure the committee there will be no disposition to abuse this power and if the investigation were of major importance probably we would proceed in the usual way and appoint a commissioner.

Mr. BENNETT: An opportunity will undoubtedly be afforded to the persons affected to appear, if they so desire, and present their side of any inquiry that may be made?

Mr. EULER: Quite so. I might add further for the information of the committee this is based on a provision in the Post Office Act and I do not think it is abused there.

Mr. BENNETT: I once assisted in an inquiry under it and the question of an opportunity to be heard is very important.

Section agreed to.

Section 2 agreed to.

On section 3—Neglecting to keep books, making false returns, etc.

Mr. SPENCER: I notice that under this clause there are certain statements with regards to fines for infringements of the law. There is no provision for imprisonment if people offend more than once.

Mr. EULER: The matter will be one for the courts.

Section agreed to.

On section 4—Removing bonded goods without entry.

Mr. BENNETT: This is a departure from the existing law. Will the minister make a statement about it?

Mr. EULER: It is really similar to the amendment proposed in clause 3. We are proposing to make the removal of goods from bonded warehouses without authorization an indicatable offence in order to regularize what we have had just a bit of doubt about. We want to be able under the law to seize the goods. In the past we have done so, basing our right upon the provision respecting "fraud upon the revenue." We are not quite satisfied that this offence constitutes a fraud upon the revenue within the meaning of the act, and we simply want to regularize a practice which we have been following in the past.

Section agreed to.

Section 5 agreed to.

On section 6—Proceedings against party.

Mr. EULER: This provision is exactly the same as the one in the Customs Act. It is merely to harmonize the two.

Mr. GEARY: This is not a provision which I like. What has been the experience of the department in the working out of the similar section of the Customs Act?

Mr. EULER: The experience of the department with regard to the Excise Act has been that where we thought it was perfectly plain that the onus of proving certain things lay upon the person in possession of the goods, magistrates in their wisdom, rightly or wrongly, insisted that we must prove illegal manufacture or illegal importation. This is an effort on the part of the law officers of the crown to make certain what we thought already was certain. I may say our law officers only hope this will do what we already thought was in force.

Mr. GEARY: It is pretty drastic.

Mr. EULER: We already have it in the Customs Act.

Mr. GEARY: Was it taken from the Ontario Temperance Act?

Mr. ERNST: It is exactly the same section the minister put into the Customs Act a couple of years ago to meet a difficulty which arose in the Supreme Court of Nova Scotia.

Mr. EULER: Yes.

Section agreed to.

Sections 7, 8 and 9 agreed to.

On section 10—Duties of excise on every pound of screened malt.

Mr. BENNETT: Will the minister explain the operation of this?

Mr. EULER. This is merely to institute a different practice in the collection of excise duty on malt. Where malt is imported from the United States it is already screened and no difficulty arises with regard to it. But under our present practice the domestic product has excise charged upon it before the screening is done. We propose to impose the excise duty after the screening is done in order to relieve us of a good many orders in council making refunds or providing for the passage of a sufficient quantity of malt to compensate for what are called the coomings. It is merely a matter of adjustment in the department to make it a little easier for us, and I might add that it meets with the approval of the maltsters.

Section agreed to.

Sections 11 to 15 inclusive agreed to.

On section 16—Tobacco grown for private use.

Mr. BENNETT: What is that?

Mr. EULER: The grower of tobacco is now privileged without the payment of excise to make tobacco into the form of Canada twist. This will enable him to cut the tobacco for his own use without necessarily putting it in the form of Canada twist.

Section agreed to.

Section 17 agreed to.

On section 18—Alcohol made and treated in distilleries.

Mr. BENNETT: What is the effect of this section?

Mr. EULER: It merely provides that where the provincial government makes a seizure of liquor improperly produced, it must be surrendered to the Dominion authorities for destruction.

Mr. BENNETT: Is that sound? In view of the fact that alcohol for use in hospitals costs so much money, why should not there be some arrangement by which that alcohol could be given to the hospitals? I have had visits from those who have to provide the money for the purchase of alcohol for the hospitals for rubbing and medicinal purposes, and looking over the legislation casually, it occurred to me that condensed alcohol might well be given to the hospitals.

Mr. EULER: They now get a 99 per cent drawback.

Mr. BENNETT: I know; I am familiar with drawbacks. There are very few people

manufacturing in Canada who do not get drawbacks. But I am talking now about the consumer. It is one way of being free trade in practice and protectionist in theory, as the minister perhaps is well aware; at least, if he is not, he has forgotten more than I think he has. Another gentleman in the cabinet who is interested in drawbacks on coal used in salt works and dredging is not here to-night.

I think it desirable to consider whether that alcohol could not be given to hospitals and institutions of that kind. Here you have something that is worth money. It is seized because there has been a violation of the law, and it is to be destroyed. You compel the province to hand it over to the federal authorities for destruction. Now the province has property in it. I doubt very much whether we have the right to pass this section, because the province has the right to retain possession of that alcohol as part of the result of the operation of the law, it being something that the province has seized, and for which the offender has been convicted. The alcohol is legally in the possession of the province. Now you say that the province must hand it over to the federal authorities for destruction. I suggest that a very desirable way to deal with that difficulty is to give the alcohol to the hospitals for their use.

Mr. DUNNING: Is it alcohol illegally manufactured that is under discussion?

Mr. BENNETT: This alcohol is well suited for the use of the hospitals.

Mr. DUNNING: How do we know?

Mr. BENNETT: The authorities know because they seize it, and they seize it only because it has not been sufficiently adulterated as alcohol not to be called alcohol.

Mr. CHAPLIN: It is tested anyway.

Mr. BENNETT: Yes, and it is seized because it is alcohol.

Mr. EULER: When rubbing alcohol is purchased by the hospitals, they pay no excise at all.

Mr. BENNETT: I know, but—

Mr. EULER: So I do not see very much point in my hon. friend's suggestion.

Mr. BENNETT: But look at the price they have to pay for it.

Mr. EULER: We do not regulate the price, and in every case they get 99 per cent drawback. A good deal of the liquors seized are not fit for hospital purposes. I should add that I was in error when I said that the liquor must be handed over to the federal authorities in order to be destroyed. That is not exactly correct. It is denatured. In the province of Quebec when smuggled liquor is seized, we allow the commission to have it provided they pay the duty. In a case like this, where a province has seized the alcohol or whisky or liquor of some sort, the Dominion authorities certainly have a claim upon it because the excise should be satisfied. We want to make certain that alcohol of all sorts, no matter how produced or by whom seized, must pay its excise to the federal authorities. That is the point.

Mr. BENNETT: I still think that if the minister will have his legal officers advise him, they will tell him at once that the question I submit is not so easily disposed of as that. The crown in the right of the province has seized the alcohol, and of that property, by reason of legal condemnation, the crown in the right of the province has ownership. It therefore belongs to the province and not to the Dominion. You are now saying that the province must hand it over to the Dominion in order that the excise may be paid. You are either going to denature it or get your excise tax from it. To overcome that difficulty I suggest that you give it to the hospitals for their use. They will escape the excise tax and also escape buying something that is condemned. That property is vested in the crown in the right of the province. I doubt if this parliament has the right to take it away from the province. The minister has not quite appreciated the point.

Mr. EULER: Oh yes.

Mr. BENNETT: It is not so easily to be disposed of. The hon. minister's law is not always sound. This is property held by the crown in the right of the province by legal condemnation, which vests that property in the province.

Mr. LAPOINTE: In the course of a commercial venture, and they are liable to pay tax.

Mr. BENNETT: The province get it by condemnation proceedings, and the property is the property of the crown in the right of the province by such condemnation proceedings—not for commercial purposes, but by reason of a seizure, a trial and a condemnation. One day a question may be raised in the courts as to the legality of the action, and I merely make my suggestion in order to get over the difficulty. This is a property which might be used for a useful purpose

without costing anything for the alcohol which is condemned or anything for excise which has never been paid. I suggest that it be given to the hospitals. If the minister knew just what it means to some of these hospitals to buy alcohol despite the rebate of the excise and other taxes, he would realize how important this becomes to them. I know what it means from the efforts I made years ago to have the present regulations enforced in connection with rebates of the duty paid upon such alcohol.

Mr. EULER: I do not want to prolong the argument, Mr. Chairman, but I do not think the Department of Customs could yield this, that any alcohol produced in Canada or imported is not fairly subject to excise or customs duty. This particular clause arises from the fact that the government of one of the provinces had made a seizure of alcohol; we demanded possession, there was a lawsuit, and it was settled finally by our consenting to the province denaturing the alcohol.

Mr. BENNETT: How was the settlement arrived at?

Mr. EULER: By agreement.

Mr. BENNETT: Exactly; and the agreement recognized the property rights of the province.

Mr. EULER: We consented to it rather than have the lawsuit continued. I am not a constitutional lawyer, but this section has been introduced as an amendment on the advice of the deputy minister of Justice to make our rights perfectly clear to do what we say we intend to do. If we are wrong, and if the provinces choose to combat it and succeed before the courts, I shall have nothing to say.

Mr. CHAPLIN: Do you invite another lawsuit?

Mr. EULER: Not at all; but I like to maintain the rights of the department.

Mr. ROSS (Kingston): I can remember when seized alcohol was given to charitable institutions. Six or seven years ago I was connected with a hospital and I was told that that was the practice.

Mr. EULER: My knowledge does not go back as far as that, but I am assured by the Commisisoner of Excise, who has been in the department about forty odd years, that it never was done.

Mr. ROBINSON: It is the custom in Detroit, and I believe in the state of Michigan generally, when alcohol is seized to turn it over to the hospitals for hospital use. When they get hold of good whisky they turn that over also—for the use of the doctors.

Mr. CANTLEY: I feel very strongly on this matter, Mr. Chairman. I was president of the hospital in my native town for twenty-five years, and I know what it cost that hospital for alcohol. The great majority of our hospitals, particularly in the towns and smaller cities, are maintained very largely by private contributions. Now, the expense in connection with the provision of alcohol such as is referred to is very considerable. The tendency of the minister is to introduce more and more arbitrary legislation. In this case it is directed against the provinces to take away from them a right they have always possessed, and when later he institutes action under this section provided the bill passes he will find that he will have to abandon it. In view of the facts, I think he should meet the reasonable request made in this connection. This is not the first time that the matter has been brought to his attention; I have discussed it with the minister on two or three occasions prior to this session, and I rather thought from the conversation I had with him that he would consider the matter favourably. I am sorry he has not; eventually he will be compelled to accede to the request.

Mr. COTNAM: I think the minister is misinformed, because I am quite satisfied from my experience in dealing with hospitals that alcohol so seized in the past has been given to charitable institutions, that is hospitals.

Mr. CANTLEY: I am certain it has.

Mr. COTNAM: I think the minister should consider the matter very seriously before making this regulation.

Mr. EULER: I must take the word of the Commisioner of Excise on this matter, for, as I say, I have no recollection of it myself. He says that so far as excisable liquor is concerned, that is liquor manufactured within the country, that has never been done. He does not answer for liquor that has been smuggled into the country, as that would come under the Customs Act. After all, this is an amendment to the Excise Act, and I am assured by the commissioner that the practice of giving seized alcohol free to hospitals has never been followed.

Mr. BENNETT: I suppose the general principle laid down by the government would apply, that inasmuch as the major number of

the provinces of confederation are not of the hon. minister's political views, alcohol could not be given to hospitals in those provinces, not even five cents' worth. Is that the idea?

Mr. LAPOINTE: Carried.

Section agreed to.

Section 19 agreed to.

Bill reported.

Mr. SPEAKER: When shall the said bill be read a third time?

Mr. CANTLEY: This day six months.

Mr. BENNETT: Next sitting.

WINDING-UP ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 53, to amend the Winding-Up Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—By whom application for winding-up order may be made.

Mr. GARDINER: Will the minister explain the bill?

Mr. LAPOINTE: It is a very simple bill. Section 10 of the Winding-Up Act provides in what cases a winding-up order may be made. Section 11 specifies by whom the application may be made for a winding-up order. When a company is insolvent the law provides that a shareholder holding shares in the capital stock of the company to the amount of at least $500 may make application for winding up its affairs. To-day many corporations issue no par value stock, and the purpose of the amendment is to confer upon the holder of stock without nominal or par value—no par value stock—as nearly as may be the same rights as are given by the existing section to the holders of shares having a par value; that is, if he holds at least five shares of no par value he may make application for a winding-up order.

Mr. GARDINER: I suppose the value of the shares cannot be determined except by actual sale.

Mr. LAPOINTE: Exactly.

Mr. GARDINER: Why are banks and insurance companies excepted?

Mr. LAPOINTE: They are already under the act.

Section agreed to.

Bill reported, read the third time and passed.

[Mr. Bennett.]

DOMINION FOREST RESERVES AND PARKS ACT AMENDMENT

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of Bill No. 56, to amend the Dominion Forest Reserves and Parks Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

Mr. STEWART (Edmonton): This bill is the usual one which we introduce each year for the purpose of withdrawing from forest reserves lands in the three prairie provinces, and this year in the province of British Columbia—lands which were included in forest reserves and which upon examination have been found fit for agricultural purposes. These lands are examined by officials of the department and recommended for withdrawal from the forest reserves. The bill also makes a considerable change in the area of the Rocky mountains and Jasper parks. It provides for an addition to these two parks of a considerable area at the southern boundary of Jasper park and the northern boundary of Rocky mountains park, where the two will now meet. This addition is very desirable from a scenic standpoint; as far as we know the area has no mineral value. On the other hand 1,364.46 square miles of rough, timbered, non-agricultural lands are being excluded from the Rocky mountains and Jasper parks. We are excluding the Spray lake and an adjacent area in the south; to the north of that there would appear to be minerals, particularly coal, along the eastern boundary of Rocky Mountains park and Jasper park. This change will affect the boundary lines of the two parks on the eastern side. So far as we know it will exclude everything that has any prospect of producing coal, except perhaps the area on the north or northeastern extremity of Jasper park, where there is undoubtedly some coal. There is a desirable country in that district consisting of very steep mountains and a narrow entrance through which the Canadian National railway passes; our road enters the park at Pocahontas, and it was thought desirable to make that the boundary of the park. Otherwise we have included non-mineralized areas.

Mr. ADSHEAD: The land will go to the province?

Mr. STEWART (Edmonton): Yes, the forest reserves.

Mr. COOTE: Has the province been consulted in regard to it?

Mr. STEWART (Edmonton): Yes.

Mr. CARMICHAEL: Is it necessary to have any portion of lands leased for community pastural purposes withdrawn in the same manner as these are? I refer particularly to lands fit for agricultural purposes and which at the present time are used as community pasture lands, leased through the department of agriculture of the province.

Mr. STEWART (Edmonton): In a forest reserve?

Mr. CARMICHAEL: No.

Mr. STEWART (Edmonton): Well that would be a lease that we have turned over to the provincial government. That is not included in this.

Mr. CARMICHAEL: But is it necessary to have it withdrawn in this way in order to make it available for homesteading purposes?

Mr. STEWART (Edmonton): Yes, it would be necessary to withdraw the lands from forest reserves if they were to be used for agricultural purposes. One or two leases have been turned over to the province for the purpose of community grazing, but they were leases of crown lands not included in forest reserves. Of course in nearly all the forest reserves we have been allowing stock to graze, and in some cases they have had leases. Very few leases however, are in existence. Nearly all the forest reserves which are fit for pasturage have been grazed.

Mr. CARMICHAEL: The land I refer to is open prairie land and was at one time ranch property. I think it is dominion land and at the present time is leased to the provincial department of agriculture for community grazing purposes. A portion of the township consists of good agricultural land but so far the people have been unable to get the use of it. I was wondering if it would be necessary to have it included in a bill as in the present case.

Mr. STEWART (Edmonton): In connection with ranch land we have been consulting with the provincial departments of agriculture, and there have been withdrawals from leases for this purpose as well as from the forest reserves.

Mr. KENNEDY: What progress has been made in connection with the surveys or resurveys of the proposed forest reserve area?

Mr. STEWART (Edmonton): I cannot give any definite information to my hon. friend on that point. I can ascertain how much has been done, but at the present time I cannot say what was accomplished last year. The section between the forest reserve and the park has been surveyed.

Mr. CAMPBELL: Have these provinces been consulted in regard to the large block of land withdrawn from the Porcupine forest reserve?

Mr. STEWART (Edmonton): It is not usual to consult the provinces in these matters. We send from our department men who have agricultural experience to examine the land, and if they report favourably, or report that the land is of more value for agricultural purposes than as forest reserves, we add these sections to the bill; we withdraw the land for agricultural purposes. I may say that we will not proceed to homestead these lands, particularly in Alberta, because the Alberta government have notified us that they do not purpose to continue homesteading. I believe they intend to sell these lands.

Mr. CAMPBELL: Does that apply to Alberta only?

Mr. STEWART (Edmonton): I do not think we have had any such communication from the government of Saskatchewan. It may be in the office; I would not like to say definitely. However, we will do nothing with these lands without consulting the provincial government as to what they desire to have done with them.

Mr. COOTE: Does this bill make provision for the inclusion of any lands in the forest reserves except what the minister mentioned in regard to the national parks?

Mr. STEWART (Edmonton): No. We have been adding to the forest reserves by order in council, but it takes a statute to withdraw from them.

Mr. COOTE: These are all withdrawals?

Mr. STEWART (Edmonton): Yes.

Mr. COOTE: I wonder if the minister can tell us how much land is in the forest reserves now?

Mr. STEWART (Edmonton): No, I have not that information at hand, but I can get it.

Mr. RYCKMAN: What is the purpose of the withdrawals, just in a sentence?

Mr. STEWART (Edmonton): The inclusion in the forest reserves has been by order in council, and large areas were set aside as forest reserves without very minute examination. We are now making that minute exami-

nation, and after it has been made, if it appears that the land is more useful for agricultural purposes than for growing timber, we withdraw the land.

Mr. SPENCER: I notice there are several small portions here for Indian reserves. Is that being done in order to make better boundaries for these reserves?

Mr. STEWART (Edmonton): Yes, in nearly every case.

Mr. COOTE: Could the minister tell us how much land is covered by the bill?

Mr. STEWART (Edmonton): It is mentioned in the bill. There are so many reserves involved, together with some very small parcels being withdrawn, that I have not computed the total amount.

Mr. BENNETT: It happens that the representation from west of the great lakes on this side of the house is very limited. It will not be as soon as the people have an opportunity to change it.

Mr. LAPOINTE: You are full of hope to-night.

Mr. BENNETT: Not of hope but of knowledge. May I direct attention to the fact that under this legislation, originally passed by this government, I think, orders in council can add to the forest reserves but orders in council cannot take away from them. The national parks of this country can be added to by order in council, but only by an act of parliament can they be limited. That applies to forest reserves. It will be observed that under the bill quarter-sections are being taken out; small areas are being taken out; one area of eight square miles is being excluded, and the whole matter has been gone into with a good deal of care. These forest reserves will be vested in the provinces when the legislation has been ratified by the imperial parliament. The minister knows that at least one of the provinces suggested that a certain township which was opened for settlement the other day should not have been opened up, and they asked that that should not be done. The minister should lay on the table the correspondence which indicates that Alberta and Saskatchewan are satisfied with the proposed changes. I would expect that to be done; it is the right of the house to ask for it on behalf of the provinces here represented. The mere assertion that the provinces are satisfied is hardly sufficient. One of course accepts the statement of the minister, but there may be conditions imposed and exceptions made.

[Mr. C. A. Stewart.]

Mr. STEWART (Edmonton): I suggest to my hon. friend that the provinces have not been consulted about these withdrawals; I was speaking about the boundaries of the parks.

Mr. BENNETT: That is the point I desire to make. Do the provinces know that the forest reserves, which they believe they are to get under the natural resources bills, are to be lessened by these areas? I submit that they do not.

Mr. STEWART (Edmonton): I think my hon. friend is right.

Mr. BENNETT: If that is correct, I suggest that the minister do not proceed with this bill until the provinces have had an opportunity to say whether or not they will be content to have the areas they otherwise were to get lessened by what the minister is now taking away. Control of land is given to the Indian department in one case and to another department in another, while a further parcel is to be administered by this government as crown land in the right of the Dominion instead of in the right of the province. While this bill might be agreed to as far as the reference to the committee is concerned, it should not be passed until the provinces have signified that their interests have been adequately safeguarded. They should be given an opportunity to go over this bill, to plot the areas on the map, and see exactly what the facts are. For my part I have not had the time to examine the bill in detail. I did endeavour in a more or less casual way to look up the areas on a map, and it can be seen that they are very considerable; for instance, there is one area of 2,500 square miles. If my memory serves me aright, it will mean that about a million and a half acres of land which one of the provinces believed was to come under its control will now be withheld from it.

Mr. STEWART (Edmonton): No, no.

Mr. BENNETT: That is what it amounts to.

Mr. STEWART (Edmonton): No; my hon. friend is making an entire misstatement.

Mr. BENNETT: Some land certainly goes to the Indian department.

Mr. STEWART (Edmonton): Only a very small portion is going to one or two Indian reserves, and in that respect I may say that the agreement specifically provides that any lands we require for the purposes of the Indians are to be given us by the provinces, so that we are not trespassing in any way.

Mr. BENNETT: The minister has not followed my point. It may become a matter of the utmost importance to the governments of the provinces to know what the particular areas are; for they may be of strategic value from the provincial standpoint, and as the provinces are charged with the responsibility, in my judgment it would be well for the minister during the recess to have the matter formally presented to the provinces affected and to receive their approval. I cannot but think that in the circumstances this is a fair proposal, and one that the minister would be expected to act upon under other like conditions if he were concerned for the provinces and not for the Dominion. While my duty primarily is to the Dominion, I have a duty to the provinces as well.

Mr. STEWART (Edmonton): With the exception of the additions to Indian reserves which, as I pointed out, are provided for in the agreement with the provinces, the whole of these lands remain with the provinces. All the land, with the exception of the additions to the Jasper and Rocky Mountains national parks, where we are adding a very small portion in comparison with what we are withdrawing from the parks, goes to the province of Alberta. It is well understood by the province that the boundaries are to be changed, which is done by agreement. There can be no complaint about that.

Mr. BENNETT: Where is the agreement?

Mr. STEWART (Edmonton): The agreement as to boundaries.

Mr. BENNETT: The resources agreement?

Mr. STEWART (Edmonton): No, this is an agreement between the federal government and the province. For some two years the officers of both governments have been surveying the boundaries, and all the facts are well known to the Alberta government. With respect to the withdrawals of the remainder of the lands throughout the railway belt in British Columbia and in the provinces of Alberta, Saskatchewan and Manitoba, all these lands will be the property of the provincial governments, and I have stated that it is not my intention to make any disposition of any of these lands by way of homestead or otherwise, while they remain under the control of the federal government, without consulting the provinces. I should like to point out to my hon. friend that all this work has been performed by the officials of the Dominion government. They have examined these lands and recommended their withdrawal from the forest reserve, and I am quite confident the provinces will be very glad to have this work performed. My hon. friend will agree with me that if land is of agricultural value, it should not be included within the area of a forest reserve, because there are large enough areas of land in all these provinces unfit for agricultural purposes which can remain within the boundaries of the forest reserve. Although I am quite satisfied that there will be no objection raised, I am perfectly willing to consult the province because I have no desire to have my hon. friend or any other hon. member of this house think that I am trying to take advantage of the provincial governments.

Mr. BENNETT: Now that the hon. minister has mentioned the matter, I will give him an illustration. The province of Saskatchewan and the Dominion of Canada made a bargain by which lands in the province within certain areas were to pass to the crown in right of the province. There was in that province an area known as the quarantine reserve; the minister opened it for settlement and it has been taken up. He received a request from the premier of Saskatchewan not to take this action, but it was disregarded. I brought the matter to his attention, acting upon a telegram sent to me, and the minister said that the notice had been given some time prior to that, in the month of March, and that the day fixed for entries at Moose Jaw was March 20. The premier of Saskatchewan asked merely that the date be extended for a time, but the minister telegraphed back that that could not be done and, as a matter of fact, that quarantine reserve has been homesteaded or preempted. What I was endeavouring at that time to point out to the minister with respect to the quarantine reserve, I say now about these forest reserves. Is there any assurance that the minister, having designated these lands as agricultural lands, will not do the same with them as he did with the quarantine reserve? It is all right to say that the provinces have agreed to this, but he offers no evidence of that; he says simply that they understand what is going on.

Mr. STEWART (Edmonton): I never said anything of the kind.

Mr. BENNETT: I asked if there were any letters on the file, and the minister said there were not.

Mr. STEWART (Edmonton): Exactly, but my hon. friend is mixing up the matter.

Mr. BENNETT: A notice in writing should have been made by the minister indicating that this was to be done, and a reply received by the provinces saying, yes or no.

Mr. STEWART (Edmonton): I have never said that.

Mr. BENNETT: That is the point I am endeavouring to make. Governments do not transact business of this character on mere word of mouth; there should be an undying record for the future, because governments are but ephemeral—very much so in this instance. May I impress upon the minister the seriousness of a matter of this kind? The minister has many things to care for and we cannot expect him to remember everything, but here vast areas are being set aside for agricultural purposes, some in Alberta, some in Saskatchewan, and lesser areas in Manitoba. All I have suggested to the minister is that we should not take those areas out of the operation of the Dominion Forest Reserves and Parks Act unless there is some real assurance—not a Seven Sisters assurance—to the provinces that these matters will not be dealt with by the minister while an agreement is pending. No minister is discharging his duty who merely says: Oh, well, it is understood. There should be a record available to the Minister of the Interior which would show that the provinces agreed to this being done.

Mr. STEWART (Edmonton): My hon. friend would like to leave the impression that there is some laxity on my part with respect to notifying the provinces, and I hope he is not confusing this matter with the arrangements made for the changed boundaries of the national parks. There is no understanding, as far as I know, with respect to the withdrawal from the forest reserves, nor have we ever consulted the provinces in this respect.

Mr. BENNETT: You were not under the same obligation as you are at present.

Mr. STEWART (Edmonton): My hon. friend has mentioned the incident of the quarantine reserve in Saskatchewan. Arrangements for the opening of that reserve had been in progress for two years; it was advertised; a date was set, and everyone had made arrangements to homestead that particular area.

Mr. BENNETT: I will interrupt the minister to state that the advertising had been done since the first of the year 1930.

[Mr. C. A. Stewart.]

Mr. STEWART (Edmonton): Quite right, but under the arrangements leading up to that advertising, necessary time had to elapse for filing.

Mr. BENNETT: Not since the first of the year.

Mr. STEWART (Edmonton): Quite right. My hon. friend will admit that the province of Saskatchewan was the very last to come here and conclude an agreement for the transfer of its resources, and I do not think he would want the whole machinery of the Department of the Interior to stop for that province. However, I am perfectly willing to leave this matter in abeyance until the provinces can be consulted. If the provinces want to take the trouble to examine every quarter-section indicated in this bill, they are welcome to do so, and every source of information will be open to them. I have no desire to leave the impression that I am trying to put something over with respect to this bill. I move that the committee rise and and report progress.

Progress reported.

MAPLE SUGAR INDUSTRY

Hon. CHARLES STEWART (Acting Minister of Agriculture) moved the second reading of Bill No. 59, respecting the maple sugar industry.

Motion agreed to and bill read the second time.

Mr. STEWART (Edmonton): Mr. Speaker, I desire to move that this bill be referred to the select standing committee on agriculture and colonization for consideration.

Mr. BENNETT: Perhaps the minister would give us some explanation of this bill.

Mr. STEWART (Edmonton): I did so when the bill was first introduced.

Mr. BENNETT: The explanation was very brief.

Mr. STEWART (Edmonton): This bill provides for the inspection of manufactories or places where maple sugar is processed, and gives the inspectors powers to seize adulterated maple sugar products. The bill provides for general supervision of the industry, for registration, and for the repeal of part III of the Food and Drugs Act, chapter 76 of the revised statutes of Canada, 1927, and brings the control of the industry under the Department of Agriculture.

Mr. BENNETT: I wonder if the Minister of Justice (Mr. Lapointe) thinks that this is wholly within the powers of parliament, having regard to the point raised in connection with the egg-grading statute, which was held to be in part beyond the competence of the federal authority. It strikes me that except for interprovincial trade there is grave doubt as to part of this proposed bill being legal. May I direct particular attention to section 16, which extends to the minister powers of a most amazing nature. This section reads in part:

16. The minister may make regulations prescribing:
(a) The duties of inspectors under this act;
(b) The types of labels or markings that shall be used on containers of maple products or on the products themselves if in solid form;
(c) Methods of sealing containers of maple products;
(d) Methods of labelling and marking maple products and the containers thereof;

Unless the whole thing could be brought within the purview of trade and commerce or of agriculture, it would be difficult to have a maple tree within the Department of Agriculture, although, it is alleged, many wooden heads have at times been interested in the transaction of business in that department. It would be hard, however, to bring "maple" entirely within it. Leaving that for the moment, I think the minister will agree that these are certainly powers that are within the exclusive legislative jurisdiction of the province. It occurred to me it would have to be limited to interprovincial trade or export trade. I saw the explanation of the minister yesterday. A group of Canadian women who are very much interested in this matter had taken active steps to direct attention to the importance to maintaining the purity of the product. On more than one occasion in the Department of Excise in the old days, as well as in more recent years, samples were taken from various stores in the large cities and sent to Ottawa for analysis, and much adulteration of maple products was found. I think the minister is quite right in trying to take steps to maintain the purity of our maple products. The quantity of maple syrup shipped to the United States will probably be curtailed by reason of their proposed tariff. Maple syrup is very largely used there in connection with the manufacture of cigarettes. It was some time before I ascertained the purpose of its use in that connection, but I found that it affords a sweetening superior to any other form of sweetening in the manufacture of cigarettes.

With regard to some of the powers it is intended by this measure to exercise, I see great difficulty. If the bill is referred to the committee on agriculture with the understanding that that phase of it will be looked into by the Justice department, there might be no difficulty if certain of the clauses were limited in their scope to interprovincial or export trade, but I should think interprovincial trade could not be affected by the proposed legislation.

Mr. LAPOINTE: I will see to it that the bill is scrutinized and fully considered by the department.

Mr. CAHAN: Has the bill passed its second reading?

Mr. SPEAKER: Yes. This discussion is on a motion to refer the bill to the committee.

Mr. CAHAN: If the bill is to go to the committee on agriculture, I think a general notice should be given to the producers and manufacturers of maple sugar in order that they may have full opportunity of appearing before the committee and making any protests which they may deem expedient or advisable in the premises.

Motion agreed to and bill referred to the select standing committee on agriculture and colonization.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

The house in committee of supply, Mr. Johnston in the chair.

Public Works — chargeable to income — harbours and rivers — British Columbia, $730,400.

The CHAIRMAN: When this resolution was last before the committee we were considering Glenannan wharf.

Glenannan wharf, $2,000.

Mr. BARBER: I think the hon member for Cariboo asked for an explanation.

Hon. J. C. ELLIOTT (Minister of Public Works): This is a revote of $2,000 required for the completion of the wharf now under construction by day labour at Glenannan.

Item agreed to.

Harrison Hot Springs—contribution towards protection work, $3,000.

Mr. BARBER: Who is contributing the balance required for this work?

Mr. ELLIOTT: This amount of $3,000 is asked to be provided as a contribution

towards protection work required at the south end of Harrison lake at Harrison Hot Springs. The department is in receipt of information that a serious case of devastation has occurred at the south end of Harrison lake, British Columbia. The action of the lake driven by high winds has created a very peculiar situation and unless some measures are taken very soon to protect property, considerable damage will be sustained by residents at this point. The district engineer reports as follows:

I have looked into this matter, and find that the shore of Harrison lake at the south end is eroding every year at high water for a distance of about 3,000 feet. The provincial government have started work on the west end of the portion that needs protection, and expect to complete about 1,000 feet this year with the $4,500 they have available for this work.

The method of protection is the placing of one-man rock on the bank, forming a slope of 45 degrees with the rock hand placed on the face, which will undoubtedly make an excellent protection and should last indefinitely.

When the provincial government finish this year (1929) there will be about 2,000 feet of protection required to prevent the balance of the road from being destroyed, which would cost about $9,000.

Mr. BARBER: Then the other party is the provincial government only?

Mr. ELLIOTT: Yes.

Mr. BENNETT: The minister is here dealing with a matter I am sure every member of parliament has at times considered, namely, the extent to which the federal parliament should grant moneys where the matter concerned is an inland lake over which, and the areas of land contiguous thereto, the province exercises sole jurisdiction. What is the guiding principle? I realize it may sometimes be important that work of this character be done. But is this a case in which political considerations govern, or is there any other rule that can be applied and made effective? Is it the question whether or not the provincial government is Liberal that governs, or is it the size of the lake, the extent of the injury done by the waters, or what? Every hon. member knows that from time to time requests of a similar character have been made and denied. This hotel company has pretty powerful influence with the government and I should like the minister to explain the principle that governs; because I warn him that in the near future there will be presented to him many other claims far greater and far more deserving than that of the proprietors of the hotel on this lake—cases where the banks of rivers have been swept away by spring freshets and where assistance from this government—the provinces being unable to give it—has been sought in vain.

[Mr. Elliott.]

Mr. ELLIOTT: This contribution is being made to supplement a contribution made by the government of British Columbia. It is one of the cases which are, as my hon. friend has said, pretty numerous throughout the country where the devastation, as it is described by the engineer, is great. It was not considered that the province would repair the whole of the damage, and this contribution is being made as similar contributions have been made in the past.

Mr. BENNETT: What is the estimated cost complete? The amount is small, but a principle is involved in which everyone of us in the western provinces is greatly concerned, especially in the prairie provinces, along the banks of the Saskatchewan river and the Bow river. For instance, the city of Calgary found that the Bow river was cutting into its banks, with the result that lots that had been bought and sold as such have disappeared. Last spring on the Elbow river considerable property was simply swept away. A retaining wall would have saved that property, and there is a stronger claim for that retaining wall than any that can be made by the friends of the administration who own this hotel.

Mr. WOODSWORTH: The same might be said of the banks of the Assiniboine and Red rivers. A portion of the town of Brandon was flooded a few years ago, and an effort was made to get the government to contribute something, but in vain.

Mr. ELLIOTT: Replying to my hon. friend the leader of the opposition, the total cost will be $9,000, and we are bearing half the cost of completing the work.

Mr. BENNETT: Let us strip it of everything superfluous; this is just an ordinary case of political favouritism. As long as the principle is established, well and good, but let it be understood that that is what it is. I know the whole property at Hot Springs, having seen it within a reasonably short time. The fact is that they wanted some money, the province is not giving them sufficient for their purpose, and so this government is going to give them some. I know how it goes on. Use sufficient pressure, carry on enough log rolling; represent what you are going to do when the time comes, and you will get it. But the time has come when this sort of thing should stop. This work could be done by day labour. It is under $5,000, and the eight-hour day could be applied, but only, of course, to those favourites who are able to get the work because they are supporters of the government.

Mr. STEWART (Edmonton): My hon. friend has had the same thing done in Alberta on the Highwood river.

Mr. BENNETT: The Highwood river was crossed by a railway, and the railway spent many thousands of dollars and could get no assistance from any source. As far as my memory goes, no assistance was given in connection with the Highwood river.

Mr. STEWART (Edmonton): There was on two occasions a division of expenditure between the provincial government and this government. Moreover, near Blairmore—

Mr. BENNETT: That is not on the Highwood.

Mr. STEWART (Edmonton): No. There were, of course, the irrigation works in which this government was interested. On the occasion I speak of there was a division of expenditure between the provincial and the federal governments to prevent the flooding of the river's banks.

Mr. BENNETT: I am not saying that it has not been done. In connection with the irrigation undertakings, of course they are exclusively within the jurisdiction of the federal parliament, and certainly a claim was lodged and recognized that where irrigation works had the effect of destroying the banks there was an obligation on the owners of the irrigation works or on the Dominion government to do something with respect to it.

Mr. STEWART (Edmonton): There was the fear of the breaking out and flooding of the High river on the west bank.

Mr. BENNETT: I remember about the High river, but the point I make is this: Here you have an inland lake, and a grant of $4,500 for the purpose of doing something—let us be frank—for the political friends of the government, who want $4,500, and they are going to give it to them. There is an election coming on.

Mr. ELLIOTT: Just before we go further with our conclusion, may I read a letter upon which this department has very largely acted?

Mr. BENNETT: "Very largely".

Mr. ELLIOTT: Yes, and upon the recommendation of the engineer. Just to show how much political favouritism there is in it, on March 11, 1929, we received from Hon. N. S. Lougheed, Minister of Public Works in the British Columbia government, the following letter:

> This department has on several occasions discussed the matter of protection of the lake front at Harrison lake with your district engineer at New Westminster.
>
> The time has now come when immediate action should be taken with a view of carrying out some permanent protection works, and I respectfully ask that your government assist financially to the extent of fifty per cent of the cost of the work.
>
> Will you, therefore, kindly give consideration to this request in so far that your government will pay fifty per cent, not to exceed a total cost of $15,000; that is to say, your government paying $7,500.

It turns out from the work that has already been done that it is not going to cost anything like the amount that was first contemplated.

Mr. BENNETT: Is that the only letter?

Mr. ELLIOTT: No. There is a letter from District Engineer Worsfold. He reports that this erosion was not caused by any works constructed or dredging done by the department, but it is of a class of work that has been contributed to by the federal government. There is a list here of similar works that have been contributed to. This work is in Fraser Valley riding.

Mr. STEWART (Leeds): Is this simply the first instalment or is it all that will be necessary?

Mr. ELLIOTT: This is to complete.

Harbours and rivers generally—repairs and improvements, $75,000.

Mr. FRASER: What are the details of the several expenditures to be made?

Mr. ELLIOTT: I can give the same answer that I gave my hon. friend in reply to a similar question last year. I can give the expenditures made last year. I cannot say yet what expenditures will be made out of the general vote this year. The total expenditure last year up to February 28, 1930, was $60,345.18.

Mr. FRASER: That is for 1929-30?

Mr. ELLIOTT: Yes.

Mr. FRASER: What are the details of last year's expenditure?

Mr. ELLIOTT: It is a long list covering several pages.

Mr. FRASER: What is the smallest amount?

Mr. ELLIOTT: The smallest amount seems to be $7.85 for excavating sand at Argenta.

Mr. FRASER: What are the amounts over $250?

Mr. ELLIOTT: They are as follows:

Barnston Island—building float at wharf, $254.56.

Blubber Bay—repairs to wharf, $735.03.

Burwood Bay, Read Island—repairs to float, $358.38.
Burgoyne Bay—repairs to wharf, $446.05.
Carr's Landing, Okanagan Lake—replace dolphin at wharf, $318.59.
Chemainus—repairs to wharf, $279.40.
Church House—move float to new location, etc., $325.77.
Coal Harbour—repairs to floating approach, $600.32.
Concrete mixers, etc.—tools, $626.80.
Cowan's Cove—repairs to wharf, $878.07.
Crescent Bay—repairs to wharf, $390.33.
Donnelly Landing—repairs to float, $433.28.
Ewing's Landing — replacing dolphins at wharf, $417.66.
Fraser river near Agassiz, $482.18.

Mr. GEARY: Is that $475,000 worth?

Mr. ELLIOTT: No, about $62,000 worth altogether.

Mr. FRASER: I am more interested in the works in my own constituency. Will the minister kindly give those?

Mr. ELLIOTT: I shall be very glad to show my hon. friend the whole list if that would answer his purpose as well. I regret to say that I have not these items by constituencies.

Mr. FRASER: Thank you. I might continue the argument I had with the minister the other night with regard to Glenannan.

Mr. ELLIOTT: Very well, although we passed that item some time ago.

Mr. FRASER: The minister stated that the work at Glenannan had been let by tender. Tenders were called for and two were received, one from Edward A. Nolan, of Glenannan for $6,000 and the other from R. C. McCorkell, Vanderhoof, for $8,638.03. From the minister's answer I understood that he decided to accept the Nolan tender, but that Nolan would not sign up; is that so?

Mr. ELLIOTT: His tender was what the engineers described as a non-balanced tender; that is, he did not give proper unit prices. He was asked to sign up at unit prices submitted by the engineer, but refused. The next tender, the second highest, was for $8,638. We considered this so much above the estimate that we decided to proceed with the work by day labour, and I understand we are getting it done at a more reasonable price.

Mr. FRASER: But these tenders were submitted and Mr. Nolan, the lowest tenderer, refused to sign up when it came to doing the work?

Mr. ELLIOTT: Yes, he refused to sign what was submitted to him.

[Mr. Elliott.]

Mr. FRASER: Deposits are required with tenders, are they not?

Mr. ELLIOTT: Yes.

Mr. FRASER: Was Mr. Nolan's deposit forfeited to the crown?

Mr. ELLIOTT: Mr. Nolan's was not a proper tender under the specifications, and he refused to tender in accordance with the units on which he was asked to tender by the department. We proceeded to do the work by day labour, and I understand it is turning out better than if we had attempted to enforce his tender.

Mr. FRASER: But my point is, tenders were called for and submitted and the deposits required were put up. The lowest tender was accepted by the government—

Mr. ELLIOTT: No, because Nolan's tender was not in accordance with the specifications. He was asked to make a tender on a proper unit basis, but he refused to do so.

Mr. FRASER: But the minister's statement is that Nolan submitted a tender for $6,000 and put up the required deposit. Very well. The minister asked him to enter into a contract in accordance with that tender, he refused to do so, but his deposit was returned to him. Why was the deposit not estreated?

Mr. ELLIOTT: I have already stated to my hon. friend the reason. The tender was not accepted because it was clearly not a tender in accordance with the specifications. For example, there was an estimate by the engineer of sixty-five cents for piling; Nolan's tender was for one item at two cents; piling was the only thing to which you could allot that item. It was perfectly clear that that was not a tender on the piling, that by some mistake he had not tendered in accordance with our specifications. There were certain negotiations and he was asked to submit a tender at unit prices, the total of which would approximate the lump sum named by him for the various units, but although we told him what we thought were fair unit prices, he refused to tender under the circumstances.

Mr. FRASER: I quite realize the minister is making as fair an explanation as possible, but I wonder if he would produce the papers for me?

Mr. ELLIOTT: Without the slightest hesitation.

Mr. FRASER: Would the minister let the item stand in the meantime?

Mr. ELLIOTT: I should be glad to oblige my hon. friend, but as we are getting near

the Easter vacation, if I complied with his request all of the British Columbia items would have to stand, and as they are all in ridings that my hon. friends represent I think it would be advisable to pass this item. I will undertake to submit all the papers to my hon. friend.

Mr. FRASER: That will do.

Mr. GEARY: Are you doing better than you would have done under the tender?

Mr. ELLIOTT: Yes.

Mr. GEARY: How do you know?

Mr. ELLIOTT: That is my information; we will be $1,400 ahead.

Mr. FRASER: You have not finished the work yet. There is a vote in this year's estimates to complete the work.

Mr. ELLIOTT: That is to complete the payments and the work; but the work is all done with the exception of about $55, so we know we are making about $1,400 by the change.

Item agreed to.

Kaslo—wharf reconstruction, $20,000.

Mr. ESLING: I think there has been some communication with the department in connection with this wharf. A request was made that consideration be given to the fact that everybody on the west arm of the lake must go to this wharf, for the reason that there are neither highways nor railways in that section of the country. The department has been asked for a landing wharf alongside the main wharf. Would the minister tell me if any consideration has been given to the request? Small boats must go there at all hours of the day and night, and heretofore it has been very inconvenient for them to make a landing.

Mr. ELLIOTT: I think I know what my hon. friend is referring to. A request has been received for a landing capable of accommodating small boats. The engineer has been asked to investigate the application and to make a report. The report has not yet been received but it is expected shortly and will receive consideration.

Item agreed to.

Ladner—contribution to provincial government of British Columbia in lieu of dredging, $8,000.

Mr. HANSON: May we have an explanation of this?

Mr. ELLIOTT: This is a contribution to the government of British Columbia; it is a revote. The matter is one concerning which there has been considerable negotiation. In a letter dated the 25th of November, 1929, Mr. P. Philip, deputy minister and public works engineer of the government of British Columbia, states as follows:

> I would advise it is our intention to undertake this work with as little loss of time as possible. It may be, however, in view of the high tide and other conditions liable to arise that it will be impossible for us to have the work completed before the end of your fiscal year. I shall therefore be greatly obliged if you will be good enough to have your department arrange to carry this money over if need be, so that it may be available for payment when due.

This was in the estimates last year, but it was not proceeded with. They were working on it but it had not been finished.

Mr. SPEAKMAN: May I ask the minister if this place has any connection with the name of the hon. member for Vancouver South (Mr. Ladner)?

Mr. ELLIOTT: I understand this place was named after the family of the hon. member for Vancouver South.

Item agreed to.

Needles—wharf replacements, $6,300.

Mr. ESLING: In connection with four items here there are revotes. A vote was passed last session for this particular one; have contracts been let for these wharves?

Mr. ELLIOTT: It is under contract. This is required to complete the work now under contract with Messrs. McCharles and McDougall of Nelson, British Columbia.

Mr. ESLING: I notice that there are four votes in connection with which revotes are indicated; they were voted at the last session. Has the work been commenced on them, or have contracts been let?

Mr. ELLIOTT: I think contracts have been let for all of them.

Mr. ESLING: Is work under way in all of them?

Mr. ELLIOTT: Yes.

Mr. ESLING: They were held up last year because of high water. The work will have to be proceeded with pretty soon, or high water will be encountered again.

Item agreed to.

Sicamous—wharf reconstruction, $9,000.

Mr. FRASER: I ask the minister for an explanation of this item.

Mr. ELLIOTT: This amount is required to rebuild entirely the existing wharf, which is reported to be beyond repair.

Mr. FRASER: What kind of wharf is being erected? Have you a description of it?

Mr. ELLIOTT: Oh, it will be a good wharf.

Mr. FRASER: Thanks. I would like to hear the size of it, or something of that nature.

Mr. ELLIOTT: This is to replace the existing wharf, which has served its life. The construction consists of a new pile bent and timber superstructure, wharf 142 feet long by 32 feet wide, built on an incline, with an approach thereto 152 feet by 16 feet. Included in the item is a pile and timber breakwater 200 feet long to protect steamers and boats lying at the wharf.

Mr. BARBER: We have had several items of wharf repairs, and I would like to ask the minister if he has any further information with regard to Minnekahda wharf, which has been brought to his attention for the last three years. This place is on the Pitt river. I think the reason given before was that the municipality unloaded a quantity of rock on this wharf and it broke under the weight; they refused to reconstruct it. I visited the wharf this year and I find it is in such bad condition that a load of groceries would have broken the underpinning; it is badly rotted. I have a letter under date of March 18 stating that the public works engineer had visited the wharf and suggested that a wharf with a slip and thirty feet in width would be sufficient to meet the requirements of the district. The council agreed to that. I was wondering if the minister had further information upon it.

Mr. ELLIOTT: I am not aware of any further report. Of course the item to which my hon. friend refers is not one of the items mentioned in the present instance.

Mr. BARBER: No, it is omitted.

Mr. ELLIOTT: I have not the details of it before me, but I recollect the circumstances. The wharf to which the hon. member refers was of ordinary pile construction and built for ordinary traffic. The municipality piled a quantity of crushed stone upon it and it broke under the excess weight. The claim of the department was that is it had been broken while being used for purposes for which it had not been constructed, the repairs should be made by the municipality which had been responsible for the breaking down. That has been the attitude of the department.

[Mr. Fraser.]

Mr. BARBER: I think the wharf has been used for that purpose from the time it was constructed, because the quarries are located up the river, and rock is continually pasing over it. It is the wharf from which supplies are shipped up the Pitt river and through the lumber and mining camps on Pitt lake.

Mr. ELLIOTT: That is what it was built for.

Mr. BARBER: And also for the quarries. There is a large quarry just above that on the river; it is about half way between that point and the lake. But the wharf was in bad condition; it was not safe to walk on when I was there a few weeks before the house opened. As I say, the department suggested a thirty foot wharf with a slip, and apparently they have given the council to understand that this would be acceptable to them. I have a letter saying that the council have agreed with the district engineer at New Westminster. I was wondering if the department had anything further to say in regard to it.

Mr. ELLIOTT: I will look into the matter and get all the details in connection with it that I can.

Item agreed to.

Victoria harbour—dredging, $100,000.

Mr. PLUNKETT: Does this appropriation provide for any rock blasting in the inner harbour?

Mr. ELLIOTT: This provides for the removal of a further portion of Hospital Rock out of the inner harbour.

Item agreed to.

Dredging—maritime provinces, $650,000.

Mr. SHORT: How much of the $650,000 under this item was expended last year?

Mr. ELLIOTT: It was all spent last year.

Mr. SHORT: There was sufficient to take care of the necessary dredging for which there were no special votes? If the minister will recall, for the last three years I have directed his attention to some very necessary dredging at Victoria Beach in Digby basin. It seems to me that an appropriation of $650,000 should permit him to set aside a few thousand dollars for that work which is badly needed, and again I am going to appeal to him to issue instructions to have some dredging done at that point out of this vote. Does the minister's nod mean yes?

Mr. ELLIOTT: I am advised that the work to which my hon. friend refers will cost in the neighbourhood of $2,200 and can be done by teams and scrapers.

Mr. SHORT: You have some other point in mind; there is ten feet of water there.

Mr. ELLIOTT: Evidently I was thinking of the wrong place, but I will look into the question. I had hoped to be able to give my hon. friend a favourable answer, as I have done practically every time he has made a request since I have held this office.

Item agreed to.

Dredging—British Columbia, $475,000.

Mr. FRASER: I should like to ask the minister if a certain portion of this vote will be applied to the inland waters of British Columbia?

Mr. ELLIOTT: Yes.

Mr. FRASER: Then I should like to know if some dredging will be done at Shuswap lake, for instance. The particular point I have in mind is Salmon Arm; what dredging is proposed to be done in the neighbourhood of Salmon Arm?

Mr. ELLIOTT: I notice that is part of the work allotted to dredge 309, the Pelican, the estimated cost of which is $7,343.

Mr. FRASER: What is the nature of the work to be done? Is that a complete work, or part of a work which will be spread over a number of years? I might say that there is in anticipation a reclamation scheme there. Is this work to be done in connection with that reclamation program?

Mr. ELLIOTT: The work allotted to the dredge at this point is for the purpose of providing an entrance channel at all lake levels to the public wharf at Salmon Arm. The object of the dredging is to remove materials which have sloughed in from spoil banks from previous work and from the silt and other material brought down the valley by the Salmon river near by, and by surface draining. It is also intended to provide a channel one foot deeper than hitherto has been the case, in order to serve a new steamer just being built for this service. The dimensions of the entrance channel are 4,300 feet by 70 feet, in addition to a turning basin having a general length and width of 600 feet by 40 feet respectively. Depths now average 3.5 feet, which will be dredged to 6.0 feet below low water level. The work consists in dredging by clamshell bucket and overcasting on dumps thrown up alongside the channel. The materials are silt and sand, held together with a small percentage of clay.

Mr. RYCKMAN: The appropriation for 1930-31 is $100,000 more than the appropriation last year. Will the minister explain the purpose of the increase, and state whether the major portion of the increase is to be spent in one particular locality?

Mr. ELLIOTT: Early in August, 1929, the tug Point Garry started to leak rather badly. On docking it was found that the garboard seams were leaking and that the caulking in most of the other seams was very soft in places. On caulking the seams great care had to be used as the wood was very soft and soggy. To make a satisfactory job of the caulking it became necessary to remove the old iron sheathing and felt under the iron. This was all renewed. Then there is $18,500 for a new tug to replace the Point Garry.

Mr. RYCKMAN: Surely the caulking of this tug and other repairs would not come under the heading of dredging.

Mr. ELLIOTT: This tug looks after our dredging plant. Then there is a new scow to be attached to dredge 302, $13,500; a new launch for the dredge Arrow Lakes, $2,600, and a new launch to replace the Bob-O-Link, $40,000.

Mr. SPENCER: What dredging is to be done in Alberta, Saskatchewan and Manitoba?

Mr. ELLIOTT: The tentative program for 1930-31 is as follows:

Place	Cost
Beaver river, Sask.	$ 4,000
Black island, Man.	3,450
Cowan lake, Sask.	250
Channel island, Man.	1,760
Devil's point, Man.	12,000
Fox bay, Man.	1,600
Little Spruce island.	2,080

Mr. SPENCER: Is that on the Nelson river?

Mr. ELLIOTT: No, it is in the constituency of Nelson.

Mr. ESLING: Has the minister given consideration to supplying a new dredge for the narrows on the Columbia river? At the present time these narrows become so filled with silt that it is absolutely impossible at certain times of the year for boats to get through. At low water there is a clearance for only 3½ foot draught. There is at present a dredge which lifts the material about 20 feet up on the bank, but as soon as high water comes along this material is washed back into the stream. The channel is so shallow that a barge cannot be accommodated upon which the material could be placed in order to take it to a more distant point. Some ten or twelve years ago I believe there was a vote for a suction dredge, but due to considerations

existing at that time the matter was dispensed with. The settlers along this river should be ensured constant accommodation, and I would ask the minister to look into the matter of providing a permanent suction dredge. I know it would be a very expensive project, but it is important that navigation on the Arrow lakes should be kept open.

Mr. ELLIOTT: My information is that navigation on the Arrow lakes is kept open except during the period of the year when it is interrupted by ice forming in the lower Arrow lakes. The question of providing a suction dredge has been considered and will be given further consideration, but I feel bound to tell my hon. friend that it is not deemed to be reasonably feasible in the immediate future.

Item agreed to.

Roads and bridges—international bridge over river St. John, between Clair, N.B., and Fort Kent, Me., the state of Maine to provide $36,000, $50,000.

Sir GEORGE PERLEY: I would like a little information regarding this item, more particularly as to how the cost is to be divided between the state of Maine and the Dominion of Canada.

Mr. ELLIOTT: This revote of $50,000 is required to complete Canada's share of the cost of the construction of the international bridge across the St. John river between Clair, New Brunswick, and Fort Kent, Maine. This work is being performed under contract by the Dominion Bridge Company, Limited, at $96,968 for the superstructure, and by McDougal Brothers of Ottawa at $35,009.25 for the substructure. To complete the work on the Canadian side, the assistant chief engineer reports that the sum of $50,000 will be required in 1930-31 for the following work:

To complete contract for superstructure, $22,000.
Floor and walk, $13,000.
Painting superstructure, $4,000.
Highway approach on Canadian side, $7,202.
Contingencies and inspection, $3,798—Total, $50,000.

The cost of this work is divided equally between the state of Maine and the Dominion of Canada.

Sir GEORGE PERLEY: The figures given by the minister total roughly $130,000.

Mr. ELLIOTT: Just a little over that amount.

Sir GEORGE PERLEY: Is that the cost to us, or the total cost?

Mr. ELLIOTT: That is the total cost.

Sir GEORGE PERLEY: So that the cost to us would be only $65,000?

Mr. ELLIOTT: Yes.

Sir GEORGE PERLEY: Why was there a vote last year of $130,000?

Mr. ELLIOTT: Well, the only explanation I can give is that tenders were advertised for on both sides of the line. The tenders were very much lower than the estimates of the engineers on either side of the line.

Sir GEORGE PERLEY: Is the minister correct in saying that the amount of $130,000 covers the total cost? Is that not our share of the cost?

Mr. ELLIOTT: It is the total cost.

Sir GEORGE PERLEY: How much was spent last year out of the vote of $130,000?

Mr. ELLIOTT: $21,000.

Sir GEORGE PERLEY: And another $50,000 is required to complete the work?

Mr. ELLIOTT: Yes.

Sir GEORGE PERLEY: Will this $50,000 complete the whole thing?

Mr. ELLIOTT: Yes.

Sir GEORGE PERLEY: The minister said that the state of Maine was to pay for this bridge fifty-fifty with Canada. This item reads, "the state of Maine to provide $36,000." The item in our estimates is $50,000. Will the minister kindly explain the discrepancy?

Mr. ELLIOTT: My information is that the state of Maine paid more last year than Canada and we are evening up the amounts.

Item agreed to.

Interprovincial bridge over Ottawa river at Hawkesbury, the Quebec and Ontario governments each to contribute one-third of the cost, $40,000.

Sir GEORGE PERLEY: Has the minister had any communication from the Minister of Public Works of Quebec or of Ontario recently regarding this matter?

Mr. ELLIOTT: My recollection is that we have a communication from the Minister of Public Works of Quebec agreeing to bear their share of the cost. So far as I am aware we have not any communication from the province of Ontario. Information reached me indirectly that the Minister of Public Works of Ontario would be in Ottawa during last

month and I had hoped I would be able to have an interview with him, with the Minister of Public Works of Quebec and with some of the representatives of the adjoining territory, but apparently this was impossible; at least, we have not been able to get together.

Sir GEORGE PERLEY: I had hoped that the Minister of Public Works for Cntario would have been here before this. I am still hoping he may come in the near future and that they will be able to meet and talk this matter over. While we are on this item, in which I am very much interested, I should like to call the minister's attention to a fact that was put before me not long ago by some of the people from Hawkesbury. It is an added argument in favour of the government paying more than one-third of the cost of this bridge. The minister perhaps knows the situation of the town of Hawkesbury. The approach to it from the Ottawa river is very poor, the water being shallow, and it is hard to get to the town. For many years there has been an agitation in Hawkesbury for a public wharf and as the department has been providing these public wharves at various places all along the Ottawa river, I can see no reason why they should not provide the town of Hawkesbury with a public wharf. The gentlemen who were here from Hawkesbury the other day having a chat with regard to this bridge called my attention to the fact that there is good wharfage at Grenville, with good water, and that if this bridge were built the town of Hawkesbury would be quite content to use the wharf at Grenville, thus relieving the government from the necessity of building a wharf at Hawkesbury. I am told a wharf at Hawkesbury would be a very expensive structure. Although the constituency I represent is across the Ottawa river, still I feel that the town of Hawkesbury is important enough to warrant the people there in expecting a wharf on the Ottawa river. Perhaps the minister may have heard something about this before.

Mr. ELLIOTT: Some time ago there was a public wharf at Hawkesbury, but that apparently has passed out of use. There is a wharf at L'Orignal and it seems the more urgent requirement of the town of Hawkesbury at present is a bridge, not a wharf. We have not made as rapid progress as I know my hon. friend and I hoped we would have made with regard to the bridge.

Sir GEORGE PERLEY: But by building the bridge you would give them a wharf as well, the wharf at Grenville, which they could quite comfortably and conveniently use from Hawkesbury.

Mr. ELLIOTT: The Grenville wharf would not be any closer than the L'Orignal wharf.

Sir GEORGE PERLEY: I think the minister is mistaken.

Mr. ELLIOTT: My hon. friend is more familiar with that territory than I am, but I think he will find there is very little difference. At the present time, however, the urgent matter is the bridge, and the wharf will receive due consideration.

Sir GEORGE PERLEY: I am not arguing with the minister to give Hawkesbury a public wharf in that town. I am simply putting before him the fact that these people from Hawkesbury say that the building of this bridge would relieve the department from any further demands for a public wharf at Hawkesbury. Therefore, if the minister would be good enough to give a larger percentage towards building the bridge, he might charge part of the cost up to the public wharf which would no longer be required at Hawkesbury.

Mr. ELLIOTT: I hope my hon. friend will not encourage the view that we should pay more than our one-third share in order to relieve us of the necessity of building a wharf which we do not need to build. That is the situation. That proposition was put up to me, but it did not appeal to me that we should pay more than our share because if we did so we would be relieved of the necessity of building a wharf which does not at present exist and which would not be needed.

Mr. LUCAS: What is the total cost?

Mr. ELLIOTT: About $362,000.

Mr. LUCAS: When is it expected to be completed?

Mr. ELLIOTT: That is difficult to say. The government hope it will be completed very soon. We are prepared to go on with our part of it. I am not blaming anybody else, but we have not made as rapid progress as we had hoped in getting together with the provinces concerned. I am, however, looking forward, with the assistance of my good friend across the floor, to making much better progress in the near future.

Mr. LUCAS: Has work been started on the bridge?

Mr. ELLIOTT: No. We would not start the work until we got the funds from the various jurisdictions concerned.

Item agreed to.

North Timiskaming bridge—repairs, etc., $4,000.

Mr. FRASER: Where is this bridge?

Mr. ELLIOTT: On the Ottawa river, in Pontiac county.

Mr. FRASER: Is it an interprovincial bridge?

Mr. ELLIOTT: Yes.

Item agreed to.

St. Majorique, Que.—repairs to bridge approaches, $2,000.

Mr. FRASER: What is the explanation of this vote? Is this an international bridge, and where is it situated?

Mr. ELLIOTT: It is on a colonization road on the south shore of the Gaspé peninsula.

Mr. FRASER: In Gaspé county?

Mr. ELLIOTT: Yes.

Sir GEORGE PERLEY: Why is the Dominion government paying for repairing this bridge?

Mr. ELLIOTT: It was built originally as a colonization bridge, and apparently for years the Dominion has borne the cost of keeping it in repair.

Item agreed to.

Telegraph and telephone lines—Nova Scotia—Cape Breton—general repairs and improvements, $11,200.

Mr. CANTLEY: I wish now to call the attention of the minister to the cable on Pictou island. Some little time ago I asked for some information which the minister was good enough to procure for me. This cable was first laid down in 1921, and during practically every year since it has been out of commission for some portion of the year. In March, 1922, nine months after it was laid down, the cable was out of commission for about three and one-half months; in 1923, for nine months; in 1924, about one and a half months, and the same in 1925; in 1927, it was out of commission again, also in 1928, and in 1929. The difficulty is that the cable was landed at a point on Pictou island where it is impossible to maintain cable communication. That difficulty has been repeatedly pointed out to the officers of the government. The cable is landed at a point where it is practically all rock, and the cable is worn through by the action of the waves and the surf rubbing and chafing it over the jagged rocks. The minister's officers will probably tell him, as they have told me, that the cable was destroyed by the action of the ice, but that could not have been the case in the months of June, July, August and September. That is not the cause of the trouble. It is due entirely to the fact that the island end of the cable was landed at the wrong point. There is no trouble with the landing on the mainland end, and never has been. The difficulty always has been at the island end. I am told that no recommendation has been made for changing the landing place, but I would point out to the minister that more than one recommendation has been made to change the landing place on the island to a point further eastward, where it would land on a sandy beach and where the present difficulty would not occur. Will the minister be good enough to tell me what is going to be done about it?

Mr. ELLIOTT: It is quite true that the cable has been out of commission at various times, for various reasons, and the reasons have been, I think fairly stated in the memorandum which my hon. friend has. That is the history of cables generally. Sometimes they are destroyed by ice shoves, sometimes by anchors of vessels catching them.

Mr. CANTLEY: No, not in this case.

Mr. ELLIOTT: Oh yes; that is the main reason, I am told. Cables are put out of business by many causes. So far as the location is concerned, considerable thought has been given to that matter, and we have had no recommendation from the departmental officials to change the site. That is the situation at the present time.

Mr. CANTLEY: There may be many reasons why cables in a general way go out of commission, but I am not discussing that. I am discussing this particular cable. I am not concerned about what suggestions have been given to the minister by his officers. I assert that this cable has broken down for the reason I have stated, and for no other reason. It is all very well for the minister to tell me that the cable has been carried away by vessels. That is not correct. The minister's information is at fault. I have been on the ground and have seen the condition of the cable more than once, and I also know what the opinions of the men on the island are, and they are quite capable of determining the cause of the trouble. The rough jagged rock surface at the point where the cable lands can at low water or half tide be seen quite easily. The cable itself is then easily visible; indeed the cable actually lands close to the public wharf head, and if the minister would look it over, he would see that it passes over a ledge of rock with a sharp, jagged surface, on which the waves and surf wash the cable back and

forth and wear it out. The obvious thing to do is to move the cable to a more suitable landing place a quarter of a mile distant, where that trouble will not occur. I defy anybody to successfully maintain anything different from what I have now stated.

Mr. ELLIOTT: I do not want to get into an argument with my hon. friend, whose judgment I esteem so very highly. I am surprised to hear him state with so much positiveness that the trouble is not as I have indicated. I would just refer him to the answer that was given him in reply to a question, on March 19, as to the cause of the cable ceasing to operate. I am sure that he has read it because he always pays great attention to the answers that he receives to his various questions.

Mr. CANTLEY: Thank you, sir.

Mr. ELLIOTT: His questions were as follows:

1. At what date did the Pictou island cable connection with the mainland last go out of commission?
2. What was the cause of cable ceasing to operate?

The answers were:

1. December 12, 1929.
2. Broken by buoy carried adrift by ice dragging its mooring across the cable.

Mr. CANTLEY: I am told by people who live on the island that that statement is not correct. I think they know what they are talking about and I prefer to believe them rather than the officer who has reported to the minister. That is definite.

Mr. ELLIOTT: My hon. friend has a perfect right to make his choice; and I hope he will accord to me the privilege of making mine.

Mr. CANTLEY: Certainly.

Mr. ELLIOTT: I take the opinion of the officials of the department. I must confess that I still think they are right in spite of what my hon. friend says, and I have great respect for his statements.

Mr. CANTLEY: In view of the repeated breakage of this cable, why do the minister's officers persist in maintaining the landing place at the present point? This cable has been out of commission practically every year from two days to eight or nine months, due invariably to the one cause. Now, why not move the island landing place where the break has always been made? I would point out again that at the mainland end of the cable there has never been any obstruction.

Item agreed to.

Lower St. Lawrence and maritime provinces—cable ship, $75,000.

Mr. FRASER: Might we have an explanation of this item?

Mr. ELLIOTT: This amount is required either towards the construction of a new cable ship, the cost of which is estimated at $670,000, or the purchase and fitting up of a ship to replace the existing cable ship Tyrian. The Tyrian was constructed in 1869 and has been in the service of the department since 1901. It was repaired in 1928, but the condition of the vessel was such that the marine inspectors would issue sailing certificates for the limited period of two years only, at the expiration of which time a new ship will have to be in commission. The appropriation last year was $100,000, nothing was expended, and we are asking for a revote of $75,000.

Sir GEORGE PERLEY: When is the period of two years up?

Mr. ELLIOTT: April 30 of this year. I should say that we have had negotiations with a view to purchasing the cable ship Henry Holmes, owned by the Eastern Telegraph Company of London, England. Eventually an offer by the department of £9,000 was accepted, subject to inspection of the ship by our officials.

Sir GEORGE PERLEY: How old a vessel is it?

Mr. ELLIOTT: Somewhere around twenty years. It cost originally about $150,000. It is in the West Indies cable service now, but we have not been able to get delivery.

Sir GEORGE PERLEY: I doubt very much the wisdom of the government buying a boat twenty years old. I am not an expert in these things, but it seems to me that this is rather an ancient craft. May I suggest to the minister that the consolidation of the cable companies put through last year in England, and to which we assented, must have resulted in a surplus of cable ships on the Pacific. I think it would be worth while for the minister to make inquiries in this regard. Certainly a boat twenty years old can hardly be expected to last very long.

Mr. ELLIOTT: There is a good deal of force in the argument against buying old boats, but the Tyrian was never built as a cable ship. Of course for cable work we require a particularly strong ship built for the purpose. But the Tyrian has lasted sixty years.

Mr. GEARY: It does not owe you much if it has been paying out cable all that time.

Mr. ELLIOTT: No, it does not. The Henry Holmes, if we can get it, will cost us £9,000. It is only twenty years old, and it has the advantage over the Tyrian that it was built specially for the purpose for which we intend to use it, and our officials believe it would give us service for a number of years to come. Unfortunately we are unable to get delivery. We thought we had made a fair deal at £9,000, provided our inspectors reported the ship fit for our work. The best price at which we can build a new boat at all like the Henry Holmes is about $670,000. So if the Henry Holmes would give us reasonable service for a few years, the cost is very little more than the interest on the capital outlay for a new boat.

Mr. RYCKMAN: What is the difficulty about delivery?

Mr. ELLIOTT: They had an earthquake in the West Indies where the boat now is.

Mr. RYCKMAN: Carried.

Mr. STEWART (Leeds): Do you expect to continue negotiations for the purchase of the Henry Holmes?

Mr. ELLIOTT: Yes, and if we can get the boat at that price, provided it is satisfactory to our inspectors, we intend to take it.

Mr. STEWART (Leeds): the earthquake did not hurt the boat?

Mr. ELLIOTT: No, it was too strong a boat for that.

Mr. ROSS (Kingston): Where was the boat built?

Mr. ELLIOTT: On the Clyde.

Item agreed to.

Quebec—reconstruction of north shore, St. Lawrence telegraph system from Bersimis eastward, $25,000.

Mr. FRASER: How much was expended on this vote last year?

Mr. ELLIOTT: The whole vote.

Mr. FRASER: How much line are you building?

Mr. ELLIOTT: This is reconstruction of the old line. We have about 850 miles of line.

Mr. FRASER: How much of the line will this reconstruct?

Mr. ELLIOTT: About 100 miles.

Item agreed to.

Telegraph line from Peace river to Fort Vermilion, $61,000.

Mr. KENNEDY: Is it estimated that this amount will complete the line?

Mr. ELLIOTT: Yes.

Item agreed to.

British Columbia northern district—general repairs and improvements, $27,000.

Mr. FRASER: The details of costs of expenditure for the last year would indicate that it has cost $10,000 more this year than last.

Mr. ELLIOTT: The condition of these improvements varies from year to year. This is the estimate of what will be required to remedy the defects in the condition that exists at the present time.

Mr. FRASER: What is the general location of the lines under construction; is that the Yukon line?

Mr. ELLIOTT: This is between Ashcroft and the Skeena river.

Mr. BRADY: This vote affords me the opportunity to bring to the attention of the minister the grave importance of federal telephone communication in northern British Columbia and particularly in the constituency of Skeena. I may not have another opportunity to mention this fact, and as it is a very important subject I ask the indulgence of the committee at the present time. I have placed before the minister for his consideration three new lines which are absolutely essential. One is from Houston to the Owens lake mining and development property. Twenty-six miles of new road have been constructed by the provincial government and by the Owens lake mining interests. The old telephone line went along the old road which led to Nadina; this road is not being used to-day. There is an urgent request for the construction of a new telephone line to meet the requirements of this large and important mine which employs over fifty men. I have given information, which the minister no doubt has, regarding the importance of this line, and I trust he will see to it that this matter will receive immediate consideration.

The next point I wish to bring to the attention of the minister is the fact that for three years I have been asking for the construction of a telephone line from Colleymount to North Francois lake. In order to show the seriousness of the situation in that section of

the country I will read part of a letter which should be of profound interest to the minister and to the hon. members in this house. There is no telephone system in the whole district. There is a farmers' institute consisting of 27 farmers with their wives and children. These people have to travel 40 miles, when emergencies arise, in order to get in touch with a doctor. The letter I have in my hand has to deal with the conditions that exist in that section.

Dear Sir:

Again we wish to call to your attention the vital subject of a telephone for Colleymount post office. We have been told by the forestry department of British Columbia that we could have a lookout station situated on Colley mountain, provided the Dominion government would give telephone connection to Colleymount and community. By so doing a vast amount of valuable timber may be saved from destruction by forest fires every year, and the residents be helped out of their great handicap.

To show what our people here are up against, I may refer to the very sad death of the three year old son of Mr. and Mrs. Lloyd Roberts which occurred here recently from spinal meningitis. Due to the lack of a telephone in our community it was necessary to take this very sick child to Burns lake for treatment, a distance of forty miles. I am sure you will agree with us that when our institute has a membership of twenty-seven we feel entitled to a telephone.

It is the belief of the people in this community that had there been telephone communication immediate steps could have been taken to save the life of this child. The child died before medical assistance could reach Burns lake. I wish to say to hon. gentlemen that I am sorry to hinder at this late hour the progress of the estimates, but this is a matter of such importance that I feel it is worthy of your special consideration, and now that you are in possession of the facts you will realize the importance of assisting these people. They are asking only for one of the essential things of life, telephone communication, and I cannot see why they should not receive it. The third line is between Bickle and Grassy Plains. I trust these matters will receive the sympathetic consideration of the miinster and that steps will be taken to have these lines installed. Will the minister promise to give this his attention?

Mr. ELLIOTT: I would say to my hon. friend that every request he has made will receive most sympathetic consideration.

Item agreed to.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, April 11, 1930

The house met at three o'clock.

INTERNAL ECONOMY

Hon. T. A. CRERAR (Minister of Railways) moved:

That the recommendations of the Commission of Internal Economy laid on the table of the house this day be approved.

Motion agreed to.

STENOGRAPHERS AND CLERKS

Hon. T. A. CRERAR (Minister of Railways) moved:

That the salaries of the members' stenographers staff and the sessional clerks be paid in full during the Easter recess according to the recommendations of the Commission of Internal Economy laid on the table of the house this day be approved.

Motion agreed to.

PRIVATE BILLS

FIRST READING

Bill No. 121, respecting the St. Clair Transit Company.—Mr. Gray.

FIRST READINGS—SENATE BILLS

Mr. SPEAKER: I would like to have the sense of the house as to whether this long list of bills shall be read individually or en bloc.

Mr. LAPOINTE: I am in favour of a blanket motion.

Mr. RYCKMAN: I think it should be on division.

Mr. SPEAKER: Is it the pleasure of the house that the whole list be considered on one motion?

Some hon. MEMBERS: Yes.

Bill No. 60, for the relief of Nora Kathleen Eayrs.—Mr. McPhee.

Bill No. 61, for the relief of Herbert Chick.—Mr. Black (Yukon).

Bill No. 62, for the relief of Albert Edward Saunders.—Mr. Young (Toronto Northeast).

Bill No. 63, for the relief of Marjorie Gladys Picken.—Mr. Garland (Carleton).

Bill No. 64, for the relief of Percy Victor Hobbes.—Mr. Geary.

Bill No. 65, for the relief of Raymond Garbutt Little.—Mr. Garland (Carleton).

Bill No. 66, for the relief of Constance Bertrand Murray.—Mr. Sanderson.

Bill No. 67, for the relief of Florence Isabel Naughton.—Mr. Stinson.

Bill No. 68, for the relief of Lucy Beryl Marshall.—Mr. Black (Yukon).

Bill No. 69, for the relief of Herbert Vincent Crisp.—Mr. Garland (Carleton).

Bill No. 70, for the relief of Elsie May Scott-Peer.—Mr. Garland (Carleton).

Bill No. 71, for the relief of Archibald Charles Henry Morris.—Mr. Garland (Carleton).

Bill No. 72, for the relief of Lillian Caroline Maud Wood.—Mr. Edwards (Waterloo South).

Bill No. 73, for the relief of Herbert Nelson Vaughan.—Mr. Lawson.

Bill No. 74, for the relief of George Henry Symons.—Mr. Garland (Carleton).

Bill No. 75, for the relief of Myrtle Margarette Hilton.—Mr. Garland (Carleton).

Bill No. 76, for the relief of Kathleen Mary Davies.—Mr. Thorson.

Bill No. 77, for the relief of Walter Joseph David Penly.—Mr. Lawson.

Bill No. 78, for the relief of Louis Battaino. —Mr. Lang.

Bill No. 79, for the relief of Edith May Smith.—Mr. Lennox.

Bill No. 80, for the relief of Mary Helen Burgess.—Mr. Garland (Carleton).

Bill No. 81, for the relief of Cyril Douglas Gordon Stuart Ackerman.—Mr. Thorson.

Bill No. 82, for the relief of Wilfred Gordon Ure.—Mr. Allar.

Bill No. 83, for the relief of Herman Michael Coleman.—Mr. Taylor.

Bill No. 84, for the relief of Gertrude Ann Elizabeth Griffiths.—Mr. McPhee.

Bill No. 85, for the relief of William Francis Addison.—Mr. Black (Yukon).

Bill No. 86, for the relief of Ella Daisy Griffith.—Mr. Bell (Hamilton).

Bill No. 87, for the relief of Thomas Edmund Appleyard.—Mr. Anderson (Halton).

Bill No. 88, for the relief of Alexander Robb Kennedy.—Mr. Hepburn.

Bill No. 89, for the relief of Constance Mary Wright.—Mr. Sanderson.

Bill No. 90, for the relief of Charlotte Gertrude Brown.—Mr. Smoke.

Bill No. 91, for the relief of Albert Davis Blagrave.—Mr. MacLaren.

Bill No. 92, for the relief of Maud Alice Whipps.—Mr. Kay.

Bill No. 93, for the relief of May McFarlane.—Mr. Geary.

[Mr. Speaker.]

Bill No. 94, for the relief of Eva Verona McColeman.—Mr. Gray.

Bill No. 95, for the relief of Thomas Brown. —Mr. Geary.

Bill No. 96, for the relief of Irène Adèle Maria Gregory.—Mr. MacGregor.

Bill No. 97, for the relief of Margaret Piton. —Mr. Lawson.

Bill No. 98, for the relief of Henry Cutler.— Mr. Gray.

Bill No. 99, for the relief of George Collier Draper.—Mr. Thorson.

Bill No. 100, for the relief of Dorothy Keen Rupert.—Mr. Bell (St. Antoine).

Bill No. 101, for the relief of Carrie Jane Vardon Coffin.—Mr. Bell (St. Antoine).

Bill No. 102, for the relief of Effie Laberta Corrigan.—Mr. Garland (Carleton).

Bill No. 103, for the relief of John Tremblay. —Mr. Thompson.

Bill No. 104, for the relief of Cornelius Taylor Spencer.—Mr. Bell (St. Antoine).

Bill No. 105, for the relief of Ada Emily Harris.—Mr. Bell (St. Antoine).

Bill No. 106, for the relief of Charles Gordon Stanley.—Mr. Harris.

Bill No. 107, for the relief of Harry Jackson Carr.—Mr. Lawson.

Bill No. 108, for the relief of Charles Ernest Aimé Holmes.—Mr. Bell (St. Antoine).

Bill No. 109, for the relief of Margaret Malvina Cole.—Mr. Lawson.

Bill No. 110, for the relief of Quartus Bliss Henderson.—Mr. Lawson.

Bill No. 111, for the relief of Otto Vernon Riepert.—Mr. Bell (St. Antoine).

Bill No. 112, for the relief of Mary Ritchie. —Mr. Cahan.

VALIDATION OF ORDERS IN COUNCIL

DOMINION LANDS ACT—DOMINION FOREST RESERVES AND PARKS ACT

Hon. CHARLES STEWART (Minister of the Interior) moved:

That the following orders in council, laid on the table on the twenty-fourth day of February, 1930, be approved:—

Orders in council which have been published in the Canada Gazette between the 1st December, 1928, and the 7th December, 1929, in accordance with the provisions of sections 4 and 75, of the Dominion Lands Act, chapter 113, R.S., 1927.

Orders in council which have been published in the Canada Gazette between the 1st

December, 1928, and the 7th December, 1929, in accordance with the provisions of section 22 of chapter 78, R.S.C., the Dominion Forest Reserves and Parks Act.

Sir GEORGE PERLEY: Will the minister give the house a short explanation?

Mr. STEWART (Edmonton): This resolution covers the formal approval of the orders in council as provided for in the act. This has not been done for a considerable number of years and it is necessary to have the assent of parliament in order to validate the orders in council.

Mr. GARLAND (Bow River): Does this cover the order in council referring to the Beauharnois Power Company?

Mr. STEWART (Edmonton): It has nothing to do with that.

Mr. GARLAND (Bow River): An order in council was presented by the Minister of Public Works (Mr. Elliott) dealing with the ratification of the specifications and so on in connection with the Beauharnois power development.

Mr. STEWART (Edmonton): These are the orders in council passed under the Dominion Lands Act and the Dominion Forest Reserves and Parks Act.

Motion agreed to.

GOVERNMENT EMPLOYEES COMPENSATION ACT

Hon. T. A. CRERAR (Minister of Railways) moved that the house go into committee to-morrow to consider the following proposed resolution:

That it is expedient to amend the Government Employees Compensation Act to extend the benefits of the act to all employees in the service of His Majesty performing like or similar duties or services to those of employees of persons other than His Majesty to whom the benefits of the Workmen's Compensation Act of the province apply, and to extend the interpretation of the term compensation to include any benefits, expenses or allowances that are provided for under the provincial compensation acts.

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.

TORONTO TERMINALS RAILWAY

Hon. T. A. CRERAR (Minister of Railways) moved that the house go into committee to-morrow to consider the following proposed resolution:

That the acts relating to the Toronto Terminals Railway Company be amended to provide that the amount of $10,500,000 which the Canadian National Railway Company was authorized to issue by the amending act, 1928, chapter 51, may be increased to an amount not exceeding $14,150,000, to be used for the purposes therein prescribed and for defraying the cost of other railway facilities necessitated by or incidental to the construction of the viaduct and works.

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.

CANADIAN NATIONAL RAILWAYS—REFUNDING

Hon. T. A. CRERAR (Minister of Railways and Canals moved that the house go into committee to-morrow to consider the following proposed resolution:

That it is expedient to bring in a measure respecting the Canadian National Railway Company, to provide for the refunding of certain notes or obligations of the Canadian Northern Railway Company and the Minnesota and Manitoba Railroad Company, and for the issue of substituted securities therefor guaranteed by the Dominion not exceeding $20,042,038.84, the aggregate face value of the original securities.

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.

THE BUDGET

On the orders of the day:

Sir GEORGE PERLEY (Argenteuil): Can the Minister of Finance give the house some idea as to when the budget speech is likely to be delivered? It has been reported in the newspapers that it will probably be brought down on the twenty-ninth instant, the day after the house meets again. If the minister is unable to fix a definite date, it would be a convenience to the members if he could give us an approximate idea as to when it is likely to be delivered.

Hon. CHARLES A. DUNNING (Minister of Finance): I am sorry I cannot be very

definite. I am hoping to bring down the budget as soon as possible after the Easter recess. I think I can assure hon. members that it will not be brought down on the first day after the Easter recess and in all probability not on the second day. I am hoping it may be brought down in the first week, but I do not want to be taken as being absolutely definite in that regard.

FAIR WAGES AND HOURS

Hon. PETER HEENAN (Minister of Labour) moved the third reading of Bill No. 49, respecting fair wages and an eight-hour day for labour employed on public works of the Dominion of Canada.

Sir GEORGE PERLEY: As the Senate is not sitting and will not sit again until after we do, the passing to-day of the third reading of this bill will not advance it, and as the house is so thin, the bill might be left over until we return after the Easter recess. There is no particular reason for going on with the bill to-day.

Mr. LAPOINTE: The bill was discussed all day yesterday, but if my hon. friend insists I have no objection.

Motion stands.

EXCISE ACT AMENDMENT

Hon. W. D. EULER (Minister of National Revenue) moved the third reading of Bill No. 48, to amend the Excise Act.

Motion agreed to and bill read the third time and passed.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

The house in committee of supply, Mr. Johnston in the chair.

Public Works—chargeable to income— telegraph and telephone lines—British Columbia, $357,250.

The CHAIRMAN: Last evening when the committee rose we had passed the first item.

Fort St. John building for telegraph service, $4,000.

Mr. FRASER: Does the construction of this building indicate an extension of the line from Fort St. John to Finlay Forks.

Hon. J. C. ELLIOTT (Minister of Public Works): No, it does not indicate that. It is to provide for the construction of a building for the telegraph service at Fort St. John, as requested on several occasions within the past year by Mr. J. E. Gobeil, general superintendent of telegraphs, and by District Superintendent Noel. The telegraph office is at present located in rented premises, the owner of which requires them and wishes to obtain possession as early as posible during the coming summer. There are no other quarters obtainable and consequently the only alternative is to erect the proposed building at an estimated cost of $4,000.

Mr. FRASER: For the last two years a request has been before the minister for the extension of that line from Fort St. John to the head of the Peace River canyon, a distance of about fifteen miles. That is a very necessary piece of telegraph line. Could the minister indicate whether he has any idea of giving it serious consideration in his supplementary estimates?

Mr. ELLIOTT: As to what may appear in the supplementary estimates, it is difficult to say. The matter is under consideration. It has been pressed more especially during the last year.

Mr. FRASER: Can the minister say he has given it favourable consideration so far?

Mr. ELLIOTT: I cannot say that with regard to any item, but it will be considered.

Item agreed to.

Telephone line from Dawson Creek to Sunset Prairie, $2,000.

Mr. FRASER: Will this complete the line?

Mr. ELLIOTT: Yes.

Mr. FRASER: How much was spent on the line last summer?

Mr. ELLIOTT: $1,278.

Item agreed to.

Telephone line from Rolla to Rolla Landing, $1,400.

Mr. FRASER: Is this to complete, and how much was spent on the line last year?

Mr. ELLIOTT: The expenditure last year was $233.

Mr. FRASER: That is a pretty small amount.

Mr. ELLIOTT: We hope to do better this year.

Mr. FRASER: I should hope so. Is it proposed to finish it this year?

Mr. ELLIOTT: Yes.

Item agreed to.

Telephone line from Lillooet to Squamish, $23,250.

Mr. FRASER: I understand that this is a new line. Would the minister give the details?

Mr. McRAE: Perhaps I might speak to this item as it happens to be in a district with which I am very familiar. The line is an extension from Lillooet to Squamish. That country has been opened up for some fifteen years and communities have been established along the railway line. The railway company, the Pacific Great Eastern, have been somewhat embarrassed by all the demands made on their system, and they have particularly requested to be relieved from the responsibility of providing a public service. They are so much concerned about the situation that they offered the use of their telegraph poles. The result is that a proposal has been made to the government that they should provide the wire in this district, which must necessarily become an integral part of the Dominion telegraph and telephone system, and take over the service. I am quite sure the government will find that the service will be remunerative from the start. The matter has been before the government for many years, and I want to commend the minister for bringing down this vote, which will give to these communities extending over a distance of eighty or ninety miles the service which they have long sought.

Mr. FRASER: There is only a very small office to accommodate the present staff at Lillooet. Necessarily, if you are going to build a new line, the work of the staff will be increased and additions to the staff will probably be necessary. Has the minister received any report from his officers as to the necessity for a new building in Lillooet to accommodate the additional staff necessary in connection with this extension ?

Mr. ELLIOTT: We have had a request of that kind, and it is receiving consideration.

Mr. FRASER: My question was, has a report been made to the minister by his officials as to the necessity of a new public building there?

Mr. ELLIOTT: Yes.

Mr. FRASER: That report is before the minister?

Mr. ELLIOTT: Yes.

Item agreed to.

Yukon telegraph system—general repairs and improvements, $20,100.

Mr. FRASER: What part of the Yukon does this vote cover?

Mr. ELLIOTT: This is for the Yukon main line from Ashcroft to Dawson.

Mr. FRASER: The minister informed me last night that the first item covered that line.

Mr. ELLIOTT: The item we were speaking of last night was for the northern part of British Columbia up to the Skeena.

Mr. FRASER: But the minister said that it was part of the Yukon system.

Mr. ELLIOTT: Yes.

Mr. FRASER: What part? From Ashcroft to Dawson is the whole system, and apparently, it is divided into two divisions.

Mr. ELLIOTT: This is the Yukon division, and the one we were speaking of last night is the British Columbia division.

Mr. FRASER: I do not quite understand the minister, because it is the same line. The whole system extends from Ashcroft to Dawson, and apparently you have two divisions. Where is the dividing point between the two divisions?

Mr. ELLIOTT: The first division is the one that we were speaking of last night, from Ashcroft to Hazelton, and the other is from Hazelton to Dawson.

Mr. FRASER: What further extensions of telephonic communication has the department undertaken in northern British Columbia since 1928?

Mr. ELLIOTT: My information is that there are two small branches. I shall be very glad to furnish my hon. friend with the particulars.

Mr. BRADY: From Fraser lake? The government has done some very good work there. I would like to know what further work has been done in the past year in extending telephone communication in northern British Columbia.

Mr. ELLIOTT: There were repairs and reconstruction in that district last year, but no new lines.

Mr. FRASER: Are any new lines under contemplation for the present year?

Mr. ELLIOTT: None except what has been mentioned.

Mr. BRADY: Except what I asked the minister about last night?

Mr. ELLIOTT: Yes.

Mr. FRASER: Has the minister received a request for extension of lines in this district during the coming year?

Mr. ELLIOTT: From a territory such as that, there are always requests. There have been requests this year. I have not a list of them here, but I shall be pleased to furnish it to my hon. friend if he wishes it. Of course, he will understand that I have before me only the details of such items as are in the estimates.

Mr. FRASER: I would point out that since 1925 there has been before the Department of Public Works a request for the construction of a line from the One Hundred Mile House to Green lake. There is a complete report in the department on that proposed line, and I should like to impress upon the minister the necessity of giving that section of the country telephone communication. It is an isolated section, with quite a number of people in it, and I am quite sure that if the minister were only aware of the conditions he would not hesitate a minute to extend the service into that district. The people are from fifteen to twenty miles from the main line of travel, a long way from doctors, and so forth. They are entirely cut off from communication with the outside world except by road. I believe for two or three years the department refused to consider the requests because there were no permanent roads in that section. The provincial government has now completed the roads, and I think it is up to the minister to give serious consideration to the request. They have been asking for the service for a number of years, and I think they are entitled to it. I should be very pleased indeed if the minister would bear this in mind and give it his special consideration.

Mr. DONNELLY: I should like to know why this policy of the government building telephone lines in remote districts is confined to British Columbia. Many outlying districts in different parts of Saskatchewan are without telephone communication, and we have to build connecting lines ourselves or get the provincial government to do so. Why should the federal government build telephone lines in the outlying districts of British Columbia; what is the policy of the government in that regard?

Mr. ELLIOTT: The distinction between British Columbia and Saskatchewan is that Saskatchewan has a government telephone system and British Columbia at the present time has a privately owned system. The policy of the government in regard to the lines to which we have been referring is, as soon as it is at all practicable from the financial standpoint, to provide these settlers, who are largely pioneers, with reasonable facilities for keeping in touch with the more settled portions of the country and with civilization generally.

Mr. BRADY: Is it the intention of the government to hand over its present telephone lines in the province to the British Columbia Telephone Company? I find that from Kamloops right through to Vanderhoof that company is taking over the government lines. I believe the federal government, realizing the importance of opening up the country, take a larger view of the situation than would a private corporation. What is the policy of the government in this regard? Are they ready to hand over to the British Columbia Telephone Company all their lines and leave the company to continue the development of necessary extension lines through northern British Columbia.

Mr. ELLIOTT: The policy of the government is to sell our lines to the company when we are able to get from them a reasonable offer. As my hon. friend very well knows, these are pioneer lines to a large extent.

Mr. BRADY: Yes.

Mr. ELLIOTT: These lines are liabilities to a very great extent so long as they remain in our hands, and as soon as we can get commercial concerns to take them over at anything like an equitable price we are glad to transfer them.

Mr. BRADY: Before doing so, surely you will admit the desirability of laying down certain conditions to be carried out by the company regarding further development of the system. Do you have a definite understanding before you hand over your telephone communications to a private company that that company will continue the development in these very important areas where hundreds of people expect telephone communication?

Mr. ELLIOTT: That is the policy. My hon. friend will understand that in selling one of these lines to which additions will have to be made in the future it is very difficult to get the purchasing company to agree to undertake all the extensions that might be required within a period of say, five or ten years. We do not go so far as that. We do provide, however, that they shall take care of all the subscribers who are receiving service at the time the line is handed over. We look after future subscribers either by making extensions to the line or by some other arrangement as the necessity arises.

Mr. NEILL: We discussed this matter last session, Mr. Chairman, and I do not think the minister went as far then as he does now. All I can say is, I think the policy a rotten one.

An hon. MEMBER: Is that parliamentary?

Mr. NEILL: We go into unsettled country and at large expense build a telephone line that is badly needed by the settlers, and the operation of the line shows an annual deficit for which the minister is more or less blamed. Then when the line begins to return a little profit we transfer it to a private company. I know that when that has been done in the past an effort has been made to stipulate that the same rates and conditions shall prevail, but, as the minister has admitted, you cannot bind the company as to its future policy. Then we have the question of further extensions cropping up. We turn over the main line because it is profitable, keeping such portions as are unprofitable and operating them at the expense of the government. A little side line, for instance, is needed, and as it connects with the line of the private company we go there for service. Then you find, as I have found, what their ideas are about building a branch line. In the particular case to which I am referring I wanted a side line extension of a few hundred yards. It was a perfectly reasonable request. I was told I would have to build the whole line at my expense, and it would then become the property of the company. Well, the day it was finished the company put another couple of people on the line. That is a small illustration of the policy of these private companies. I do not think it is fair to the public or to the government to carry out such a policy. When we come down here, as I said before, we find all the government lines showing a deficit, and we blame the minister or his officials, but it is because we have turned over to private companies the profitable ones. I do not think that a good policy; I said so last year, and I feel so still.

Mr. McRAE: I had the privilege last session of saying a word of appreciation of the government telegraph service in our province. We seldom hear anything in the house about the service. It is strictly a pioneer service, and I for one would regret indeed to see the system curtailed or disintegrated. I should like very much, as the hon. member for Comox-Alberni (Mr. Neill) has said, to see the government continue the work they have so long carried on in connection with this telegraph service. I am sure hon. members from the prairies do not fully appreciate some of these far-flung districts in British Columbia which the government telegraph service is connecting up with civilization. Many of these districts would be without direct communication to-day but for the government service. On a commercial basis it would be absolutely impossible to maintain the present service. True, there may be some deficit annually, but I believe that that deficit will not be lessened by selling such sections of the system as a private corporation might feel disposed to take over. I rather think the government will find on careful investigation that those sections are remunerative and help, in part, to carry the burden of the whole system. This is a pioneer service which is due to the remote settlements in our province, and which I believe the government and the government alone can supply.

Mr. JELLIFF: Is any revenue derived by the government from these lines?

Mr. ELLIOTT: The revenue derived last year by the government from lines operated by it was somewhere in the vicinity of $298,000. When my hon. friends speak of revenue from these lines I think they must bear in mind that the cost always exceeds the revenue. These lines serve pioneer districts, and I regret my hon. friend from Comox-Alberni (Mr. Neill) has not a better idea of what the government is doing. At least I regret that he is not able to express his idea in more flattering terms than he saw fit to do in regard to the action of the government in this connection. When he used the expression that the government builds these lines, operates them for a certain length of time and turns over the more profitable parts to private companies, he is not as accurate as is his usual custom in statements before the house. The government is not turning over the more profitable portions but it is turning over the less unprofitable ones. Those are the only parts which a commercial company will take over. The government is very anxious to give aid to the people handicapped in the way the pioneers are handicapped; we appreciate that they go into these isolated districts and we wish to give them the best service we can as long as there is a return reasonably commensurate with the service given.

Mr. FRASER: It would be interesting to the house to know that the Yukon system forms part of the old Collins overland system which was to extend from San Francisco to the Aleutian islands, thence into Russia and back to London. That was put out of operation in 1865 when the Atlantic cable was successfully constructed. As a matter of fact

in 1865 this line was built as far as Hazelton, and it has been used for the Cariboo country ever since. It was operated until the time of confederation by the government or by some local company; at any rate at the time of confederation it was taken over by the federal government. It constituted one of the grants which we made to the federal government when we entered confederation. The federal government turned it over to the Canadian Pacific Railway Company and it was operated for quite a number of years by that railway. When the Yukon territory opened up they wanted telegraphic communication. The line at that time only went as far as Quesnel, but in 1898 when the Dawson country opened up and it was necessary to provide it with telegraphic communication the whole line was reconstructed from Ashcroft to Dawson, a distance of 2,000 miles. It is not by any means a local line; it is 2,000 miles in length and the objective in view when the line was built was to put the Yukon, especially Dawson City and Prince Rupert, in telegraphic communication with the outside world. There was no telegraphic system in Prince Rupert at that time, and for a long time it served the northern country. It is impossible for the government to operate at a profit a line of that length which runs through a country so sparsely settled. I wish to say in fairness to the minister and to the government that so far as the system is concerned it has always been of an excellent character; the line is kept in first class condition and provides the very best service to the people of that district. The complaint I make to the minister is not in connection with the main line but in the extension of these facilities to the outlying contiguous sections. In these days settlers expect some conveniences; they are not satisfied as they were twenty years ago to get along without telegraphic and telephonic communication. I can name twenty communities in my own constituency which are asking to be connected with this main trunk line, and the reason offered is that insufficient attention is given to the extension of these lines. The contention is that the main line is so overloaded that it will not carry a greater load. I do not know whether that is so or not, but it does seem to me that if it is overloaded some remedy could be found to give the constituencies throughout that country the telephonic communication to which I think they are entitled. I have twenty or twenty-five requests for extensions, and it seems to me it would be good business for the government to give more consideration than they have been giving in the past to the extension of these lines. We are pleased to get extensions from time to time, but let me tell the minister that he is by no means keeping up with the public demand. It seems to me that when you consider how the expenses in connection with all branches of the government have expanded we are not expecting too much and our requests are no more exorbitant than they are in other parts of the Dominion. If the minister would give the same consideration to that part of the country that he does to the matter of wharves and breakwaters in the province of Quebec and the lower parts of the Dominion, he would extend the telegraph service in British Columbia.

Mr. EVANS: I can well appreciate the difficulties of these settlers who have not telephonic communication, and I understand the contention of the hon. member for Cariboo (Mr. Fraser). On the prairies, however, we do this work ourselves, and I cannot help but think that this is a provincial matter and should be handled by the province of British Columbia.

Mr. BRADY: No, no.

Mr. EVANS: Why should the province not pay for it? We in Saskatchewan have never had help from the Dominion government in this respect, although the territory is very extensive; in British Columbia, however, telephonic communication is furnished without the expenditure of one dollar by the province, and we spend money in other parts of the country for many things which are provincial or municipal in character. It seems to me that this is a matter of a provincial character and should not be charged to the country at large.

Mr. JELLIFF: I wonder if the minster could tell us how the rates compare with the rates on provincial lines?

Mr. ELLIOTT: There is a regular tariff, of course, for the use of these lines. With regard to the question raised by the hon. member for Rosetown, this has been the policy in British Columbia for many years, and these lines, as the hon. member for Cariboo says, are old pioneer telegraph lines, which have been extended from time to time. It has been suggested that we should extend these lines more rapidly to keep pace with the development of the country, but I would remind the committee that development is taking place in this country so rapidly that we are just doing the best we can with the money placed at our disposal, in an endeavour to keep somewhere in sight of the development which is proceeding. I want to say to him further that I hope the government is sympathetic;

I know the officials of the department are, and I hope the minister is most sympathetic to these pioneers in British Columbia. Some instances have come to the notice of the department which, were it not for taking up the time of the committee, I should like to recall to show how valuable are these lines to the existence of the settlements they serve. Perhaps I might just refer for a moment to an incident which occurred, I believe within the last year and a half, not far from Hazelton, to which point my hon. friend has referred. A report came in that the line north of Hazelton was grounded, and that they could not get through. An inspector started out at about four o'clock in the morning with a dog team in an endeavour to find out where the break had occurred. When he got about forty miles from Hazelton he found that the wire had been taken off the pole and grounded, clearly by some individual. It was not an accident; it had been done designedly. There had been a fresh snowfall and he could not see any tracks, but he did find a little path through the bush which he followed to an Indian wigwam not far from the point where the line was grounded. He knocked at the door without getting any response. When he opened the door and went in he found an Indian, the lone inhabitant of that district, almost in a dying condition. He had no neighbours and no means of getting into communication with the outside world; he had enough strength only to crawl over and ground the telegraph wire and crawl back to his shanty. The inspector put him on the sleigh and took him down to the hospital in Hazelton, where it was thought he had but a very slight chance of getting better. However, with the nursing and medical attention he received, in about three weeks he was able to go back to his shanty. Certainly his life was saved as a result of his being able to make this contact with the outside world. Many instances of that kind have come to the notice of the department which show how very useful this service is. However, my hon. friend will understand that if you have a line going north and south, what you might call a trunk line, it is pretty difficult to extend your services, with anything like the same efficiency, by means of branch lines.

Mr. BRADY: In reply to the hon. member for Rosetown, I think it might be advisable to read this little paragraph in order to convince the house that these telegraph lines should be continued for some time yet. It states the case very well:

The Dominion government telegraph service was commenced with the object of furnishing rapid communication in outlying districts where the amount of business was so small that commercial companies would not enter the field, but where the public interests required that there should be communication.

Mr. ELLIOTT: From what is my hon. friend reading?

Mr. BRADY: I am reading from the Canada Year Book in connection with the telegraph systems inaugurated by the Dominion government. I want to urge that you should not doubt for one moment the advisability of continuing the federal telegraph system throughout these vast areas which must depend upon this government. The hon. member for Rosetown said that the prairie provinces maintained provincial telegraph and telephone lines, and he assumed that it would be proper for the province of British Columbia to do the same thing, but I contend that the hon. member has not been informed with regard to the objects of the Dominion telegraph system; he does not understand the situation. We do not desire to make money; we want to develop Canada; we want to place in these vast areas the men and women who in the years to come will bring immense returns for what we do. You, Mr. Minister, are the agent; you have the power; you have the vision and the foresight. All we ask is that you see to it that where there is a settlement or a body of people, you carry out the policy of extending the lines both north and south and east and west. Keep to that policy, and whether or not the present government is defeated, you will have the gratitude of hundreds of these people.

Mr. NEILL: I must congratulate the hon. member for Vancouver North, and myself for having converted the hon. member for Skeena. Ten minutes ago he expressed his satisfaction with the sale of these lines by the government.

Mr. BRADY: Pardonnez-moi, which I think is good French; I asked whether or not there was any danger to the development of the country and the safeguarding of the people through handing over these lines to a private company. That was the question; I think the minister will corroborate that statement.

Mr. NEILL: But before that you made the statement that you would be satisfied.

Mr. ELLIOTT: Let us get some items through.

Mr. FRASER: The minister has related an instance in which the telegraph line was the means of saving the life of an Indian inhabitant of that part of the country. The reason we are asking for the extension of these

lines is, in many cases, to save the lives of the people who may desire to locate 25, 30 or 50 miles from the main line. Now I am going to relate an incident which will illustrate what the minister is doing when he refuses to give that service; and by the way this happened at a point called Green lake, for which I have been asking this line since 1925. This is a cattle country, with considerable timber. As a young man was riding after cattle, pushing his horse pretty fast, as is the custom, the horse passed too close to a tree and the man's knee was caught between the side of the horse and the tree. His leg was wrenched and the femur was broken off short at the hip bone. He was unable to get out of his saddle but he knew that his neighbour's children were chasing cattle nearby. He rode over and found the two girls, one fifteen and the other sixteen years of age, and told them his condition. They were unable to lift him out of the saddle, but they led the horse to a tree, threw a rope over a limb and hoisted him out of the saddle. Having done that, the girls rode twenty-five miles to the telephone office to get in touch with a doctor. The girls made him as comfortable as they could, but he was forced to remain in that condition for twelve hours before the doctor arrived to take him to the nearest hospital, to reach which he was forced to travel a distance of 125 miles. Imagine a man in that condition, having to pay for the conveyance of himself to the hospital, having to pay the doctor to come and see him, and then having to remain in the hospital for five or six weeks. We want to extend the telephonic communication to these people so that they will be able to take care of just such emergencies as that. Many such emergencies arise from time to time, and there are other cases of ordinary sicknesses and so on. The instances pointed out by the minister are to the credit of the service, but he should bear in mind that there are others who are not served and who are just as anxious for and just as much entitled to telephonic service as are the rest of the people.

Mr. MILLAR: The hon. member for Rosetown (Mr. Evans) is not very well informed regarding this matter, although the committee has been receiving some information. It does seem rather surprising that a service is rendered free of cost to some sections, while other sections have to pay. Some fine descriptions have been given and tales told about the wonderful service which is given and the number of lives saved, but if the Indian were dying near a telegraph or telephone line which had been paid for as it is paid for in other provinces, I think the message would go over just the same. The members from British Columbia are asking that this service be extended, and perhaps I would do the same if I were receiving a free service. I see no reason for its being extended in one province simply because it has been carried on for many years. The minister was asked what the service cost, and he told the committee that there was a tariff but he stopped right there. I would like to know what the charges are.

Mr. ELLIOTT: There is nothing free—the Indian receives a free service.

Mr. MILLAR: How do the rates compare with private services?

Mr. ELLIOTT: I understand they are about the same.

Mr. MILLAR: The same charges?

Mr. ELLIOTT: Yes.

Mr. MILLAR: Have they been paid?

Mr. ELLIOTT: Yes.

Mr. MILLAR: What are the receipts?

Mr. ELLIOTT: The receipts for last year amounted to $298,000.

Mr. MILLAR: It has been stated that this service is being carried on in districts where private companies will not extend their lines, therefore it would appear that it is being rendered at a loss to the government.

Mr. ELLIOTT: Certainly.

Mr. MILLAR: These members should point out to their provincial government the fact that such an extension should be made, either by private concerns or by the provincial government. I do not see why this should be done by the government in British Columbia alone.

Mr. BRADY: It is done all over Canada.

Mr. MILLAR: Is this service rendered in Saskatchewan, Alberta and Manitoba?

Mr. ELLIOTT: A similar service is rendered in the extreme west and the extreme east; on the Atlantic and on the Pacific.

Mr. MILLAR: That is not all over Canada.

Mr. ELLIOTT: Certain other services are rendered to the prairie provinces; they are not being neglected.

Mr. MILLAR: They are paying for nearly everything they receive, and this service is being rendered at a loss to the public treasury.

Mr. BRADY: It is not rendered at a loss.

Mr. ELLIOTT: The reward will come.

Mr. MILLAR: I suppose in Heaven. In what province is this service rendered?

Mr. ELLIOTT: As far as a reward is concerned, I have the assurance of the hon. member for Skeena (Mr. Brady) that we will receive our reward during the—

Mr. MILLAR: Next election.

Mr. ELLIOTT: —during the time this government will be operating these lines, probably for the next six or eight years. I do not think my hon. friend would suggest that this service should be discontinued after it has been in operation since before the province of British Columbia existed.

Mr. FRASER: Since 1865.

Mr. MILLAR: Having enjoyed the service that long they should be willing to pay for it.

Mr. ELLIOTT: My hon. friend should be the first to realize that this government does not go backward, and we should not consider cutting off a service which has been so long in existence.

Mr. MILLAR: Would the minister be willing to extend the same service to the other provinces?

Mr. BRADY: If they need it.

Mr. MILLAR: There are many outlying districts in the other provinces into which private companies will not go.

Mr. ELLIOTT: The matter will be given consideration.

Mr. JELLIFF: Can the minister tell the committee how much the government has expended on these lines up to the present time? What has been the cost to the government?

Mr. ELLIOTT: I have not that information with me, but I shall be glad to furnish it to my hon. friend.

Mr. JELLIFF: Can the minister give the committee any specific information as to the rates charged for the service?

Mr. ELLIOTT: I shall be glad to supply my hon. friend with the tariff.

Mr. JELLIFF: What is the annual expenditure for this service, for upkeep and everything?

Mr. ELLIOTT: It is not summarized in the draft which I have. If my hon. friend will look at the estimates, he will find on page 69, in the paragraph covering telegraph and telephone lines, an indication of the cost. It runs to about $721,000.

Mr. FRASER: For Alberta and Saskatchewan, $131,000.

Mr. ELLIOTT: Yes.

Mr. JELLIFF: How much for British Columbia?

Mr. ELLIOTT: I figure it at about $223,000.

Mr. JELLIFF: I would like the minister, at his convenience, to let me have the entire amount expended on these lines.

Mr. BROWN: Would it not be well to let the item stand until we get that information? There has been a good deal of discussion in regard to the matter on the part of those who are immediately interested, and it is time that some of the rest of us took an interest in it.

Mr. DONNELLY: How many applications has the minister had for extensions? We have in this case only twenty-five applications for extensions, as one hon. member says, and this is a service established at no cost to them, because all they pay for is the service. In some of the districts of which I know there would be 2,500 instead of twenty-five applications.

Mr. NEILL: That is due to the modesty of British Columbia.

Mr. BRADY: Only legitimate extensions are asked for.

Mr. MILLAR: I think we ought to have this information. We should let the item stand until we receive it.

Mr. ELLIOTT: I thought I made the matter reasonably clear before, and when it has been stated at least half a dozen times during the discussion that they do pay for the service, I am rather surprised that my hon. friends should speak as if we had all the time been discussing the matter on the basis of a free service.

Mr. DONNELLY: It is a free line. They do not build the line; all they pay for is the service.

Mr. ELLIOTT: What else would they pay for?

Mr. DONNELLY: In our district we build the line and pay for the service as well.

Mr. ELLIOTT: If my hon. friends will look at page 69 they will find under telegraph and telephone lines what has been the cost

for 1929-30 and 1930-31. I should be glad to supply them with the information and with the tariff. I have no objection to further discussion if it serves any reasonable purpose; I am entirely in the hands of the committee, but I think we should make some progress in passing these items.

Item agreed to.

Miscellaneous—Accounts branch—salaries of agents, clerks, travelling and contingent expenses of outside service, $28,000.

Mr. KAISER: Do I understand that items under the heading of "miscellaneous" have reference to the entire work on harbours and rivers and telegraph lines, or do they refer only to British Columbia?

Mr. ELLIOTT: The items under "miscellaneous" have reference to the whole Dominion.

Mr. KAISER: When the items for harbours were going through I understood that an opportunity would be presented to any member unable to be present at that time to revert to any particular matter he might desire to discuss. Is that the understanding?

Mr. ELLIOTT: Is it the suggestion of my hon. friend that at any time we can go back to items we have passed?

Mr. KAISER: I am informed that when the items for the harbours of Ontario, for instance, were being passed, it was agreed that any member not then present might revert to some of those items under the general discussion which might take place on this item.

Mr. ELLIOTT: I have never heard of such an understanding and my hon. friend surely realizes how impossible it would be ever to get through the estimates if we were likely to have them reopened at any time so that any hon. member could revert to them.

Sir GEORGE PERLEY: I do not think that is quite fair. When we are passing Ontario and Quebec items it has often been the custom to hold a general item in order that members who do not happen to be present may have an opportunity to ask for information about matters in which they are interested. I do not remember whether or not that was distinctly understood on this occasion, but it has been done many times and it is the custom of the house that it should be done, not for the purpose of blocking the estimates or of taking up again those that have been passed, but in order that a member who was not present at the time the estimates were going through—and the minister knows we allowed them to go through quite quickly—may have an opportunity of asking reasonable questions about items in his constituency. I am sure the minister will not prevent my hon. friend from doing so.

Mr. CHAPLIN: What percentage of this estimate is being asked for now? The point is that all we are asking is for a certain percentage of the estimate and it stands to reason the balance of the estimate has to be passed a little later.

Mr. ELLIOTT: My hon. friend will understand that the other portion was passed before; this is the balance.

Mr. KAISER: I am not asking for permission to revert to a particular item or that an item be struck out or otherwise. I desire to make some reference to certain matters in regard to harbours in my constituency and to make some comments upon the methods resorted to by the government in order to carry out or to block certain things in my constituency. I was unable to do so because of my absence when the particular item was before the committee. This is an item under the head of "miscellaneous." Part of that expenditure is to be applied to work that is being contemplated in Ontario and I ask whether I am permitted to make some comments upon conditions surrounding works that are being done in the constituency I represent.

Mr. ELLIOTT: I do not want to restrict discussion in any way. As the hon. member for Argenteuil has already suggested, it has frequently been the custom for a member who is interested in some particular item, and who desires that it shall be held up until he has had an opporunity of discussing it, to mention it to whoever may be leading the opposition at the particular time and ask him to request that the item stand until the member can have that opportunity. I think that has been the practice. No such request was made with regard to any of the items respecting harbours or rivers in either Ontario or Quebec and we have very fortunately passed all those items, so that the appropriation is now passed. My hon. friend will understand that if one item is held up, it holds up the whole vote. It is desirable to follow some reasonable routine of taking the items as they appear in the estimates. Has my hon. friend some item which he wishes to discuss and which can reasonably come under any of these headings?

Mr. KAISER: If the minister has no objection I will proceed until I am informed I am discussing something that has no bearing on the minister's department.

Mr. ELLIOTT: I cannot tell until I know what the matter is.

Mr. KAISER: This is a proposed appropriation for work in the minister's department under the heading of "miscellaneous." We are asked to spend that money. Now I want to draw the attention of the minister and of this house to certain matters which are, I think, very pertinent and should be ventilated in connection with this item. I refer to the harbour of the city of Oshawa. Thirty-two years ago the city of Oshawa asked the Liberal government of that day to undertake the building of a harbour at Oshawa. The work was started at that time, and has gone on for thirty-two years, sometimes by leaps and bounds, and at other times with long periods of inactivity. The only time that any activity is visible is when an election is in sight. We can always tell when an election is coming because then there is something in the estimates for the harbour at Oshawa. I repeat, thirty-two years ago we started to build this harbour for a population that has now grown to 35,000 or 40,000, if you include the surrounding area. During the past few years we have been building the harbour at the rate of about fifty feet per year. A few days ago, in bold headlines spread right across the page, our paper states "that the dock at Oshawa harbour collapses." Part of the work which this government started is falling down at the rate of one hundred feet a year, and the work at the other end is proceeding at the rate of fifty feet a year. I would ask the minister to get his pencil and figure out how long it will be before the harbour at Oshawa is completed at that rate, when the work is falling down twice as fast as it is being built up.

Mr. MILLAR: How much revenue has the government received from that harbour?

Mr. KAISER: At one time we had a fairly good harbour. We had ships bringing in coal and taking out grain, a reasonably busy harbour. The government of the day said: We will take over this harbour and build you a harbour that is equal to the requirements of the city of Oshawa. The government started the work. The first thing that happened was that the old pier fell down, but nothing was done about it. Next year the buildings that were there were burned down, but nothing was done about that. Next year the coal industry ceased; nothing was done. Next year the grain industry ceased; nothing was done about that, and so it went on until there was nothing left around the harbour but a crop of bulrushes, and in the fall of each year they burn them down. From my administration as mayor of the city of Oshawa I know this: I had two or three opportunities to bring to Oshawa industries that would have been of vast benefit to the city and the whole district if we had had good harbour facilities, but here we are still sending delegations down to plead with the government to finish the harbour, around which has grown up a population of 35,000 to 40,000 people. Well do I remember that Sir William Mulock promised us this harbour. Then we had a visit from a very distinguished Minister of Public Works, the Hon. J. Israel Tarte, who in 1902 came to Oshawa and looked over the harbour.

Mr. ELLIOTT: I think my hon. friend is going pretty far afield. I have no objection, but do I understand him to be objecting to the vote that has been passed for Oshawa harbour?

Mr. KAISER: You bet I am.

Mr. ELLIOTT: You object to it?

Mr. KAISER: I object to it very strongly. I object to a harbour that requires an expenditure of $250,000 receiving only $16,000. The amount of the vote is absolutely hopeless and will simply mean that the work will drag along in the future as it has in the past. I object to this vote because it is far too small.

Mr. ELLIOTT: You do not wish it cut out?

Mr. KAISER: I do not want it to be cut out, but I am pointing out to the minister that it will take from $160,000 to $200,000 to finish the work which has been dragging on so long that the people of the city of Oshawa are absolutely discouraged.

There is another harbour in my constituency, Whitby. This year a vote of $8,000 is passed for Whitby harbour and $16,000 for Oshawa. These two harbours were formerly very busy, and the votes are entirely inadequate. I want to know who it is that finds his way to this government and gets these small votes put in the estimates. I want the minister to tell me whether it is right that one of the highest paid civil servants in the Dominion of Canada should exercise that function. Is the only avenue to this government through the civil servants of this country? In 1926 we had an election and a gentleman in the person of Mr. W. H. Moore was my opponent. He was defeated, and then this government put him at the head of the tariff

board. I will say that I think the government made a very good choice. I am not complaining about Mr. Moore's appointment at all to the chairmanship of the tariff board. That sort of thing is happening in other constituencies; the defeated Liberal candidate has the ear of the government and becomes the head man politically although appointed to an office of emolument under the crown. It should be the Liberal party of the riding who should have the say in such matters. I would have no complaint at all if the president of the Liberal party in my riding and those associated with him came to this government to point out the needs of my constituency, and to get what assistance they could. I would be there, if possible, to help them. On principle I object to the practice that I have mentioned. The people of Whitby, a neighbouring town in my constituency, desired the government to make a grant to Whitby harbour. That was a perfectly legitimate request. Upon one occasion they had an enthusiastic gathering at the chamber of commerce and Mr. Moore, the presiding officer of the tariff board, the highest paid civil servant of Canada, came and made an address. There was talk at that time of an airport being built on the lake. Mr. Moore, as I said came and made an address, and he is reported in the press as follows:

> Whitby's prospects, as a probable site for Camp Borden, were first dealt with by Mr. Moore, who as chairman of the tariff board, has played a large part in laying the town's claims before the government.
>
> He had had a conference recently with the Minister of Defence and was assured that if Camp Borden were to be moved, the site found here would be given every consideration.
>
> In the matter of harbour improvements the speaker pointed out that when the town council sought to get certain work done, the government had requested him to ascertain the opinion of the local board of trade in the matter.

Now, that is a remarkable situation. One could understand a man who had tried to represent the constituency, and who was being groomed at home for the next election, and pardon the indiscretion, but when the government start to groom one of their own civil servants to enter an election contest, don't you think it is time for Canada to take cognizance of the fact; don't you think somebody should either call the government down or call down the civil servant who obtrudes himself into such a situation?

Mr. DONNELLY: Mr. Chairman, I rise to a point of order. I want to know if we are on vote 148, for harbours and rivers, or on the budget? It seems to me that the hon. member is giving the committee an election address. If he wants to do that let him wait until the budget comes down.

Mr. KAISER: This is not budget talk, Mr. Chairman. I am talking about the way votes in connection with harbours have been scattered by this government throughout the province of Ontario and other parts of the Dominion. I might go on and show how they almost met him with a brass band and conducted him over the air port site.

Mr. VALLANCE: Mr. Chairman, has not a point of order been raised?

The CHAIRMAN: The point of order raised by the hon. member for Willow Bunch (Mr. Donnelly) is as to whether or not the hon. gentleman's remarks are relevant to the item before the committee. Vote 148 has to do with public works of a miscellaneous nature from one end of Canada to the other, and I think the understanding was that he should have the right to discuss a certain matter before this vote was disposed of.

Mr. KAISER: The number of matters in connection with this vote which I might raise would consume more time than I know the minister wants to give to it. I am not complaining for myself at all, I am raising a question—

Mr. CHAPLIN: You will likely give him a good beating next time, too.

Mr. KAISER: I am not so sure about that, in view of all the plans and schemes that have been formulated to carry this civil servant into the house. If they are at all effective, I do not know what will become of the little old doctor in Oshawa. I do not blame this civil servant at all for being ambitious.

Mr. CHAPLIN: Serve notice on him, doctor, that when we get in we will put him where he belongs.

An hon. MEMBER: That is good Tory doctrine.

Mr. CHAPLIN: You yourself would not stand for a civil servant doing the same thing.

Mr. KAISER: This ambitious civil servant even aspired to the portfolio of finance, apparently. I find a newspaper boldly stating:

> Some think Mr. King should go outside his cabinet and parliament for a new Minister of Finance. Among those of this persuasion probably is Mr. Moore, chairman of the advisory tariff board.

Mr. YOUNG (Weyburn): No chance.

Mr. KAISER: The comment continues:

He obviously is enjoying his present job, and doing it about as well as circumstances will permit, but he has political ambitions.

Mr. DONNELLY: What paper is the hon. member quoting from? Is it the Orange Sentinel?

Mr. KAISER: For the past two or three years he has been paying the expense of keeping up a political organization and political rooms, and he is doing so now. Three months ago nothing was so sure among all the politically-wise in my constituency as that the chairman of the advisory tariff board would at the first opportunity be called upon by the Prime Minister to take over the portfolio of finance. But when the hon. member for Regina (Mr. Dunning) was called in to take that portfolio this great dream was shattered. To show what is going on, and the government not saying anything about it —perhaps they are in collusion with the ambitious gentleman—I propose to quote from an ordinary everyday notice of church services.

Mr. BROWN: What church?

Mr. KAISER: What church?

Mr. BROWN: Yes, it might interest a whole lot of others.

Mr. KAISER: It is an old English church down along the lake front, and in the little graveyard lies the bones of one of the aides-de-camp of Napoleon Bonaparte. This is called The Parish and Home and covers St. John's church, Port Whitby; St. George's church, Pickering; Dunbarton Mission. Then I read below the Sunday services:

St. John's 11 a.m. and 7 p.m.
Holy Communion, 1st Sunday 11 a.m.;
3rd Sunday 7 p.m.
St. George's—10.30 a.m. and 7 p.m.
Holy Communion, 2nd Sunday 10.30 a.m.
Dunbarton Mission—3 p.m.

Some hon. MEMBERS: Dispense.

Mr. KAISER: I do not complain of that at all. In this good old church—

The CHAIRMAN: Order. The hon. member's remarks certainly are not relevant to the item before the committee. He has been given considerable latitude and I would suggest that he bring his remarks to bear more closely on the item before the committee.

An hon. MEMBER: Perhaps they want the government to build a church.

Mr. KAISER: I abide by your ruling, Mr. Chairman. The building of churches is something very foreign to this government. I just wish to show how far this ambitious gentleman's friends go to boost him. This is the last item in this church notice:

The Whitby council and chamber of commerce are to be congratulated on securing government cooperation in repairing and improving the harbour. Mr. W. H. Moore has promised any help he can give to this end. A survey of the harbour has already commenced.

That is in an ordinary church notice.

Mr. BROWN: Rather an extraordinary one.

Mr. ERNST: They must have expected a tariff increase.

Mr. CHAPLIN: Do you call that an ordinary church notice?

Mr. KAISER: It is an extraordinary church notice. Now, I ask the government, do they approve or disapprove of the civil servants of this country interfering in matters of this kind?

Mr. YOUNG (Weyburn): With churches?

Mr. KAISER: Interfering with churches, yes. I am very glad to know that certain members take notice of these things. I wish a good many more would associate themselves with such a fine institution, but I do not want to monopolize the space in these church notices unless they pay for it handsomely. I have endeavoured to bring these matters to the attention of the government. I claim that it is not right that civil servants should be allowed thus to get down into the political arena. If it is the intention of the chairman of the advisory tariff board to contest my constituency at the next election, I am perfectly willing that he should resign from the board and get into the game, for one thing is sure, that he or I or someone else will win, and in the course of the campaign, these matters can then be discussed.

I want the government to recognize the fact that we have not been treated fairly in regard to the matter of harbours along our lake front. The thirty or forty thousand people who live in the city of Oshawa and vicinity deserve better treatment than to have to wait about thirty years to get a little harbour which would cost a couple of hundred thousand dollars. They have had to stagger along, generation after generation, with the aid of a few thousand dollars so that they may build a few feet in the front and have a hundred feet drop off behind. This manner of dealing with the harbour at Oshawa is a discredit to this country and to this government. If the

government wishes to lay the matter before the people of Oshawa it will find one man ready to meet the issue; I have always favoured the harbour and I have always tried to get it. Years ago I came to Ottawa dozens and dozens of times to lay this matter before the government; we in the county of Ontario have had to wait thirty-five years to get a little bit of harbour while other sections in Canada can get $300,000 in one year without any difficulty for a harbour to accommodate 250 people. Ontario is not being treated fairly by this government, and the government knows it. We should receive better treatment in regard to these matters.

Item agreed to.

Maintenance and operation of water storage dams on Ottawa river and tributaries, surveys in connection therewith and settlement of land damages, $40,000.

Sir GEORGE PERLEY: Is this work increasing year by year, or are the expenses about the same each year? Is the government enlarging the storage capacity or is it building other dams; does it intend to do that?

Mr. ELLIOTT: We are not enlarging them. You will notice in the estimates that last year we asked for $50,000 and this year we asked for only $40,000.

Sir GEORGE PERLEY: How much did you spend last year?

Mr. ELLIOTT: At the time the estimates were compiled it seemed that we would spend in the vicinity of $40,000; I find that we have spent about $30,000 in the last year.

Mr. LUCAS: What is the purpose of these storage dams?

Mr. ELLIOTT: My hon. friend will no doubt remember the discussion which took place a year ago. These are dams which have for their object the regulation and flow of the Ottawa river.

Sir GEORGE PERLEY: Who decides about holding back the water and releasing it afterwards? Is that done by the department without any outside advice or is it done as requested from time to time by the mill owners on the river or by the people who use this water? I am curious to know who makes the decision as to how this water will be held back and when it will be released.

Mr. ELLIOTT: The keepers of the dams keep accurate measurements of the water gauges; they report to the department daily, and the engineer makes the recommendations. He forms his opinion as to the course we must pursue.

Sir GEORGE PERLEY: Do the people who use this water not make suggestions, or are their wishes not considered by the department?

Mr. ELLIOTT: Very few suggestions are made by them. It happens occasionally that suggestions are made, and any suggestion made from any quarter is considered. I must say however that the gauges are the real guides which the engineer follows.

Item agreed to.

National Gallery of Canada, $130,000.

Mr. LUCAS: What is this money used for?

Mr. ELLIOTT: This amount was requested by the board of trustees to provide for the operation and the maintenance, workshop, supplies, upkeep of premises, purchase of works of art, management of exhibitions and the usual travelling scholarship of the National Gallery of Canada. The amount is the same as it was last year.

Mr. LUCAS: How much was spent for the purchase of works of art?

Mr. ELLIOTT: $106,000.

Sir GEORGE PERLEY: At this stage I wish to inquire about the war memorials. Is this the proper time in which to direct some questions in that regard?

Mr. ELLIOTT: I think it is.

Sir GEORGE PERLEY: For several years we have considered the question of providing a proper building to house the war memorials. The minister will remember that I spoke about it several times in the house, and the Prime Minister has on occasions led us to think that the government might construct a building for the purpose. These war memorials were not properly cared for and I believe lately they have been placed in the basement of the auditorium. We were told last year that they were perfectly secure and would not deteriorate. I want to urge upon the minister the necessity of providing a proper building for them. I believe Canada has a collection which compares favourably with that of any other country; I have been told that, and I believe it is true. These memorials were collected after a great deal of trouble by a branch of the overseas department at the head of which was the present Lord Beaverbrook. He devoted a great deal of time and attention to this work and got

some of the very best artists to take part in painting the pictures. The memorials depict scenes of a military character—battles and so on. It is a pity that the people of Canada should have this wonderful collection of war memorials housed in the basement of an auditorium where they cannot be seen. Although it is said they will not deteriorate I doubt very much whether that could be the fact; it seems to me that they require more care than they could possibly receive under such conditions. I wish to ask the minister what consideration the government has given to this question. Does he not think that these memorials are of value to Canada and should be carefully housed? Does the government consider that they are of no consequence and not worth bothering about? I wish the minister would be good enough to tell me his position and the position of the government, and whether we can look for the construction of a building for the purpose of housing this wonderful collection.

Mr. ELLIOTT: I agree with the remarks of my hon. friend, with the exception of his statement that the basement of the building is not a suitable place for these memorials. Apart from that I thoroughly agree with everything the hon. member has said. The war memorials owned by Canada, as my hon. friend has just said, comprise perhaps the most valuable collection of the kind that can be found anywhere. I think he realizes, from the discussion he has had with the Prime Minister and the members of the government, how highly they value these memorials and that they realize the necessity, at the earliest opportunity that funds can be made available for the purpose, of having them housed in a national gallery which will be a credit to Canada and which will be a suitable place in which to keep these memorials. That is about as far as we can go. The building in which they are now housed is an ideal place from the standpoint of being fireproof and having the moisture and temperature regulated. It is said by the experts in the gallery that there is no more suitable place for the housing of these memorials than the place in which they are now kept.

Sir GEORGE PERLEY: Are they being cared for by the staff of the national gallery?

Mr. ELLIOTT: Yes, and they are the kind of pictures which do not lend themselves readily to circulation; they are not the type of pictures which, for many reasons, should be circulated freely.

Sir GEORGE PERLEY: I agree with the minister, but surely they should be put in a place where the people can see them.

Mr. ELLIOTT: Quite so, but there is not a place available in Ottawa at present where these pictures could be placed on exhibition which would be fireproof and which would have regulated temperature and moisture.

Sir GEORGE PERLEY: Does the minister think there is any more likelihood of such a building being provided now than there was ten years ago?

Mr. ELLIOTT: Oh, yes, there is no doubt about that; finances are improving all the time.

Mr. ERNST: We are coming into power.

Mr. ELLIOTT: I would hope they would not have to wait until then.

Mr. ERNST: They will not find it so long as has been the case in the past.

Mr. ELLIOTT: This is an important matter and it should be attended to, if not immediately, then at least within a reasonable time. That is the view of the government and it is hoped that a national gallery will be erected in the vicinity of the research building. There has been no commital made at the present time, but I can assure my hon. friend that it is receiving every consideration and it is hoped that provision will be made for it long before the time suggested by my hon. friend.

Mr. SPEAKMAN: Perhaps the minister will recall that last year I brought to the attention of the committee certain complaints which had reached me as to the method by which purchases of pictures, sculpture and other works of art were being made. It was suggested then, and I may say quite frankly that it has been suggested since this session opened, that at the present time these purchases are not made in a fair way. By that I mean that the works of art which are selected are not representative of the different schools of art throughout Canada and do not fairly represent the progress of art in this country. It has been complained that the purchases are confined very largely to the products of one or two small cliques of artists within Canada, and that artists and sculptors who belong to other schools of art or who are not intimately connected with these small coteries of men and women have no opportunity of having their works purchased by the government or of having them displayed in

the gallery. I should like to know from the minister just what method is followed in selecting the works of art; who are responsible for the selections, and whether any such complaints have come to his personal attention.

Mr. ELLIOTT: I do not think a year goes by without the trustees of any gallery receiving many representations from those who are exponents of the various schools of art, and I do not think the Canadian trustees are an exception. I do think, however that we are singularly fortunate in the personnel of the trustees of this gallery. They are connoisseurs of art, and I believe they do extremely good work. I think I know to what my hon. friend refers; there was quite an active controversy a few years ago between the followers of what was termed the school of seven, and those who were not so favourable to that particular school. I do believe that the trustees of the gallery, who are from different parts of the country and who are sympathetic to all the different schools of art which are being developed in Canada, have arrived at a fairly good solution of the problem. This department is responsible for the financing of the gallery; my hon. friend will understand that under the National Gallery Act the trustees are appointed, and they conduct the affairs of the gallery, making requests to the minister in charge of the department for the appropriations which they believe they should have. Perhaps they do not always get all that they ask for, but we have been able to get along with them on very amicable terms, and I do think that the gallery is running perhaps more smoothly at the present time. I believe that the Canadian gallery is advancing in the estimation of the followers of the various schools of art throughout Canada, and has advanced considerably in recent years. I fancy my hon. friend knows the names of the trustees; they are outstanding gentlemen who give their time gratuitously, and some of them at any rate have made quite generous contributions to the gallery.

Mr. SPEAKMAN: The minister will quite appreciate the fact that I do not pose in any way as a connoisseur of art, nor am I bringing forward any cricticism on my own behalf. Representations have been made to me, as I assume they have been made to other members of the house. However, I would like to ask one further question. I agree at once with the minister's remarks as to the standing of the men who are trustees; I am familiar with their names, and I know they possess extremely high qualifications. I should like to know if the trustees themselves take any active interest in the purchases or whether these are consummated under the authority of the art directors.

Mr. ELLIOTT: That is a very pertinent question, and I am glad my hon. friend has asked it, because no doubt there has been some misconception as to how that worked cut. Every purchase, I think, without exception to my knowledge, has been submitted to and passed upon by the board of trustees at a regularly advertised meeting, before the purchase has been completed.

Mr. SPEAKMAN: That is very important.

Mr. ELLIOTT: Yes.

Mr. BIRD: Have the trustees of the national gallery made any attempt to distribute the benefits to be derived from that institution by means of photographs or the newer processes of etching? This gallery should try to spread the benefits of art into domestic surroundings. There are many humble people who have not sufficient means to indulge in art in the sense we know of it, but these pictures could be duplicated by modern processes of etching, and distributed. At times I have found it very difficult to obtain copies of works of art, especially etchings, and I do not think it is right to hoard up works in any institution.

Mr. ELLIOTT: I welcome very much the suggestion made by the hon. member, as well as the interest that he and other members of the committee are taking in this subject. This is a much more important subject than most people realize, and even a consideration from a commercial standpoint has proven that the Canadian national gallery is a good investment. The information I have been able to obtain is to the effect that the purchases made by the trustees are worth to-day considerably more than they cost. They have increased the distribution of etchings of paintings by outstanding Canadian artists, and in this distribution all the schools of art have been considered. Distribution is made to the schools and art colleges throughout the country, and in addition to that the gallery has lent a number of the very best pictures to various art organizations from Halifax to Vancouver. Perhaps it would be well to read a paragraph from the annual report of the board of trustees, as follows:

A departure of far reaching importance which has taken place this year—

That is the year 1928-29.

—is the commencement of a series of reproductions in colour of important national gallery pictures. The primary object in undertaking this series was to provide an adequate basis for art teaching in the Canadian schools drawn from the national art collection. The reproductions have, however, proved enormously popular with the general public also and it has been found necessary to extend largely the original program.

The prints are issued in two sizes, approximately 8 x 10 and 4½ x 3½ inches. Besides making available to the people of Canada at very low cost, colour reproduction of Canadian pictures, hitherto unobtainable anywhere, the reproductions of foreign art are superior to most prints produced abroad.

The following subjects are ready for distribution:—

The Jack Pine, by Tom Thomson.
The Northern River, by Tom Thomson.
Village in the Laurentians, by Clarence A. Gagnon, R.C.A.
Winter Landscape, by Cornelius Krieghoff.
Joseph Brant, by George Romney.
Jeffrey, Lord Amherst, by Sir Joshua Reynolds, P.R.A.
In Suffolk, by Arnesby Brown, R.A.
The Solemn Land, by J. E. H. MacDonald, A.R.C.A.
The Flood Gate, by Homer Watson, R.C.A.
Others will follow from time to time.

Mr. BIRD: I think it would be a good thing if the trustees would cooperate with some of the large departmental stores. Throughout western Canada I suppose the T. Eaton Company is responsible for most of the art which appears upon the walls of our homes, and such stores would be of great assistance in the distribution of these etchings.

Mr. ELLIOTT: Those stores are being stocked with etchings at a very reasonable price with a view to encouraging and fostering interest in Canadian art.

Item agreed to.

National monument on Connaught place, $140,000.

Mr. RYCKMAN: Will the minister give us an explanation of this item?

Mr. ELLIOTT: This amount of $75,000 is required for the erection of a national commemorative war monument on Connaught place, Ottawa.

Mr. RYCKMAN: The vote is for $140,000.

Mr. ELLIOTT: Yes, $140,000 is required altogether, of which $50,000 is a revote. This work is being performed by Mr. Vernon March of Goddendens, England, at a contract price of $135,000 for bronze work plus $10,000 for two additional figures. The granite pedestal and foundation work is to be done by the department at an estimated cost of $50,000, making the total cost of the monument approximately $195,000. The figure is made up as follows:

Amount of contract. . . .	$185,000	
Two additional figures. . . .	10,000	
		$195,000
Less:		
Expenditure 1927-28. . . .	10,000	
Expenditure 1928-29. . . .	20,000	
Expenditure 1929-30. . . .	25,000	
		55,000
		$140,000

The expenditures for 1929-30 amounted to only $22,500, although it was estimated that they would amount to $25,000.

Item agreed to.

River gauging and metering, $30,000.

Mr. ERNST: Is any of this gauging to be done in the province of Nova Scotia?

Mr. ELLIOTT: No.

Mr. ROSS (Kingston): Where is the work to be done?

Mr. ELLIOTT: It is done on the St. Lawrence, Rainy river, Fraser river and St. Maurice river.

Item agreed to.

Surveys and inspections, $125,000.

Mr. RYCKMAN: Will the minister tell us generally how this money is spent? Is it for employees of the department or for whom? Who are the surveyors and the inspectors? The minister realizes that $120,000 is a large amount. Why make it $125,000?

Mr. ELLIOTT: This amount is required to provide for surveys and inspections that may be necessary during the fiscal year 1930-31, in connection with harbour, river, slide, boom and bridge works and other services under the control of the Public Works department. Perhaps I might exemplify. A deputation was here this morning with regard to some new work wanted on harbours and rivers. We send out an engineer to look over the site and make a report upon it. This is an increase of $5,000 over the amount voted last year. The demands are growing. Out of our appropriation of $120,000 we expended last year $119,843 to February 28 and the amount is always fully expended. This covers the cost of the engineers.

Mr. RYCKMAN: What is the chief item of cost? The engineers and surveyors would

be our own men paid by salary. There would, of course, be travelling expenses and it seems to me travelling expenses bulk very large when you come to $125,000.

Mr. ELLIOTT: This is mostly travelling expenses and labour the engineer or surveyor will employ locally in assisting him to make examinations and surveys. It refers to canoes, boats, transportation generally and labour assistance.

Mr. FRASER: Can the minister give us the provincial distribution of the vote?

Mr. ELLIOTT: I cannot very well give it for 1929-30, as accurately as I can for 1928-29, but for 1928-29, the amount was $117,285, as follows:

Maritime provinces, $22,631.
Quebec, $39,907.
Ontario, $16,788.
Manitoba, $8,051.
British Columbia, $13,942.
Geodetic levelling, $7,432.
Generally, $8,528.

Mr. MILLAR: What about Saskatchewan and Alberta?

Mr. ELLIOTT: They would probably be covered under the item of general expenditure.

Item agreed to.

Compassionate allowance to Captain Edward Hagarty who was retired in 1920 due to failing health prior to the coming into effect of the Public Service Retirement Act, $1,000.

Mr. ELLIOTT: Captain Edward Hagarty, formerly first officer of the C.G.S. Tyrian after about eighteen years' service on that vessel was forced to retire in March, 1920, due to ill health, just four months prior to the coming into effect of the Public Service Retirement Act under which he would have been entitled to receive an annuity for life of $331.50.

Due to continued ill health and privation Mr. Hagarty, who is now seventy-three years of age, is absolutely destitute and a charge on public charity.

He first joined the Tyrian June 22, 1902, as third officer with salary of $35 per month. He was promoted to second officer in 1908 and was again promoted January 1, 1915, to the position of first officer. In 1919 Mr. Hagarty was granted seven months' sick leave, four months at full pay and three months at $65 per month. He returned to duty January 1, 1920, and was paid his salary for the months of January and February. Mr. Hagarty reported that he was not able to remain with the ship and as he had received all the sick leave that could be granted him under the regulations, there was nothing further that the department could do for him and he left the service March 6, 1920.

Mr. QUINN: Does the minister think he is doing full justice to this man in giving him $1,000? He has been retired since 1920 and the minister is now voting at the rate of $100 a year for ten years. I happen to know Captain Hagarty personally. I am not objecting to the vote; what I am objecting to is the paltry sum that is being granted. Why cannot the minister make an annual allowance for him, or does the minister intend to have this voted every year? Captain Hagarty is seventy-three years of age and in the natural course of events he will not live many years longer.

Mr. ELLIOTT: This is being done purely as a matter of grace to a very efficient officer who gave his services to the department for a number of years and who very unfortunately, on account of the circumstances which I have related, was unable to remain in the service until the time when he would have received his annuity. It is a lump sum granted to him purely as a matter of grace with a view to affording him just that much assistance. I do not argue that it is adequate for his requirements, but it is what the department felt would be of some assistance to him and just about as far as they felt they could go.

Mr. QUINN: I quite appreciate that, but I have in mind a case I have had up before when the estimates of the Department of National Defence have been before the committee and I have asked each year since I came here in 1926 for some consideration to be shown a captain of the transport service who was continuously in service for fifty-two years and nine months. He is now eighty-five years of age. He was retired in 1919 with a gratuity of $900. That man to-day, owing to his age, and as one can readily understand, is unable to work. He was engaged first in the imperial service and afterwards in the Canadian transport service, after the Department of National Defence took over the imperial defence of Canada. I have been unable to make any impression upon the present Minister of National Defence and his predecessor, the Hon. E. M. Macdonald. I see that this can be done in the case of Captain Hagarty. I am not criticizing the vote. I know Captain Hagarty; I know he is a very deserving subject of compassion in this case, but I would like to see the vote a little larger and I would like the minister to use

his good offices with the Minister of National Defence when he returns to help me to have some consideration shown to Captain John Linloff when the National Defence estimates are before the committee.

Item agreed to.

Public Works—chargeable to collection of revenue — graving docks — Champlain graving dock, $118,000.

Mr. CHAPLIN: Where is this graving dock?

Mr. ELLIOTT: At Lauzon, near Quebec.

Item agreed to.

Esquimalt graving docks, $80,000.

Sir GEORGE PERLEY: Is this for maintenance, or is it an annual sum required?

Mr. ELLIOTT: It is for maintenance and operation.

Sir GEORGE PERLEY: This dock and the Champlain graving dock and the Lorne graving dock belong to the crown?

Mr. ELLIOTT: Yes.

Item agreed to.

Kingston—wharfs and bridges, $10,000.

Mr. ROSS (Kingston): What work will be done at Kingston?

Mr. ELLIOTT: This amount is required for the maintenance and operation of the combined roadway, wharfs and bridges over the Cataraqui river at Kingston, Ontario, for the fiscal year 1930-31. The details follow:

Requirements for 1930-31

One bridge master, 12 months at $125, $1,500.
Three bridge motormen, 12 months at $100, $3,600.
One general service man, 10½ months at $67.50, $708.75.
Electric power and lighting, $1,700.
Oil, waste, lamps, repairs, materials, etc., $1,000.
Earth filling on boulevard, 100 cubic yards at 75 cents, $75.
Masonry to be repointed, $150.
Lights and bells, warning system to be installed, $1,000.—Total, $9,733.75.

Mr. ROSS (Kingston): There was a vote put in the estimates a few years ago for extending the stonework, but the amount has never been spent. Will the minister explain why?

Mr. ELLIOTT: I have no details here relating to it, but I shall be glad to get the information if my hon. friend desires it.

Mr. ROSS (Kingston): The item was put in a few years ago. The deputy may be able to tell the minister why it was never spent. The amount was voted, tenders were called and contracts awarded. Why was the work not done?

Mr. ELLIOTT: I am sorry, but the deputy does not seem able to assist me. But I will get my hon. friend that information.

Sir GEORGE PERLEY: I am sure that the minister will get the information for my hon. friend and send it to him.

Mr. ROSS (Kingston): I think the minister could tell me now. It was political interference that caused the withdrawal of that vote. May I be assured that the minister will give me the reasons why it was withdrawn?

Mr. ELLIOTT: You may be absolutely assured of that.

Item agreed to.

Montreal river—dam at Latchford, $3,400.

Sir GEORGE PERLEY: How long has this dam been at Latchford?

Mr. ELLIOTT: It has been there since 1920.

Sir GEORGE PERLEY: Can the minister tell the committee why the Dominion government has a dam at Latchford on the Montreal river, which is an inland stream?

Mr. ELLIOTT: The Montreal river was dammed at Latchford to extend navigation to Mountain Chute, a distance of forty-one miles. It is a navigation project.

Item agreed to.

St. Andrew's rapids—lock and dam, $25,000.

Sir GEORGE PERLEY: Why is this costing so much more than in other years? Where is St. Andrew's rapids?

Mr. ELLIOTT: It is on the Red river, between Winnipeg and lake Winnipeg. This amount is required to provide for staff, and repairs and maintenance for the fiscal year 1930-31 in connection with St. Andrew's lock and dam on the Red river. The amount is made up as follows:

	1929-30	1930-31
Salaries of staff	$10,020	$8,045
Office expenses	330	330
Lighting and heating	2,180	2,180
Lock and dam (repairs and maintenance)	2,100	3,600

The main increase is due to the necessity of repainting the entire bridge superstructure, which has not been done since the construction of the bridge. That accounts for $7,000 for this year, as against $500 for painting last year.

Item agreed to.

Telegraph and telephone services generally, $7,000.

Mr. LUCAS: What is the difference between this vote and the one on page 43 of the estimates?

Mr. ELLIOTT: This vote is for maintenance and operation. The other vote is for repairs and improvements.

Item agreed to.

Civil government — public works — salaries, $700,530; contingencies, $90,000.

Sir GEORGE PERLEY: How much of the $90,000 for contingencies was spent last year?

Mr. ELLIOTT: Up to the end of February we spent $82,000, and the deputy understands that since then the balance has been spent.

Mr. MacLAREN: Will the minister state what are the duties of the confidential messengers?

Mr. ELLIOTT: They are in the ministers' offices; some of them are boys, and some have grown old in the service.

Item agreed to.

Public Works—chargeable to income—public buildings, Nova Scotia—Amherst public building, improvements and repairs, $4,000.

Mr. SMITH (Cumberland): Will the minister give some explanation of this item?

Mr. ELLIOTT: It is required for general improvements and repairs to the public building at Amherst, as recommended by the chief architect in a memorandum dated April 22, 1929, as follows:

Mr. Russell, the district resident architect for Nova Scotia, reports that there will be a considerable amount of repair work required in the above building during the coming fiscal year, as well as interior and exterior painting and decoration, and also new flooring, etc.

The cost to carry out the above works is estimated at $3,875. This is too large a sum to take out of the general vote for the maritime provinces, and I recommend that a special sum of $4,000 be provided in the estimates to carry out the above works.

Mr. SMITH (Cumberland): Has the minister had any representations from the council or the board of trade or any other public body as to erecting a new post office building on a lot which was purchased nearly twenty years ago? The present building is very old and although repairs are being made to it from time to time it is far from satisfactory; it is clumsy and public accommodation there is very cramped at certain periods of the year, particularly around the Christmas season. I would think the time has almost arrived when the department should decide whether they will continue spending money annually on this old building or erect a new one on the lot to which I have referred.

Mr. ELLIOTT: It is one of those cases where a new building would be justified, I think, from the reports we have; but I have just read the recommendation made to the department by the chief architect, and we are following it.

Mr. SMITH (Cumberland): I hope the minister is not misunderstanding me. I am not complaining of this expenditure at all.

Mr. ELLIOTT: No, I quite understand.

Mr. SMITH (Cumberland): I think the expenditure is needed if the old building is to be retained, but I believe the policy of the department should be changed. It is not economy to continue spending money on the old building year after year; for it is impossible to provide in it a satisfactory service for the locality.

Item agreed to.

Antigonish public building—addition, $12,000.

Mr. ERNST: May we have some explanation of this item?

Mr. ELLIOTT: This is required for the construction of an addition at the rear of the public building at Antigonish as a means of providing adequate accommodation for the public service.

Mr. GEARY: What will the addition be?

Mr. ELLIOTT: A one-storey brick structure, 40 by 20 feet.

Mr. ERNST: What is the present accommodation there? For instance, what floor space have they available for the sorting of mail?

Mr. ELLIOTT: The building at present is situated at the corner of College and Main streets and was originally purchased in 1883. Since then it has been remodelled and as it now stands it is 67 feet 6 inches long by 33 feet wide, brick construction with stone trimmings and a clock tower. A portion of the building 33 feet by 12 feet six inches is two storeys and basement in height, the remainder is three storeys and basement. The first floor is occupied by post office and customs examining warehouse; a portion of second floor by long room and private office for customs division, Department of National Revenue; the third floor is occupied by the caretaker.

Mr. ERNST: I asked the minister because he knows I brought to his attention the urgent need of some additional post office accom-

modation at Liverpool in Queens county, due to the recent development there. The present facilities are absolutely inadequate. The building at Antigonish is far more adequate to the local needs than the building at Liverpool.

Item agreed to.

Arichat public building—improvements to lighting, $2,000.

Mr. CHAPLIN: What constituency?

Mr. ELLIOTT: Richmond-West Cape Breton.

Item agreed to.

Canso public building—improvements and repairs, $3,000.

Mr. CHAPLIN: The same constituency?

Mr. ELLIOTT: No, Halifax.

Item agreed to.

Dartmouth public building — improvements and repairs, $2,000.

Mr. QUINN: What is this, a post office?

Mr. ELLIOTT: This is the new public building.

Item agreed to.

Halifax public building—improvements and repairs, $20,000.

Mr. QUINN: What building is this?

Mr. ELLIOTT: General repairs and improvements to the public building in Halifax, as requested in a memorandum by the chief architect, dated November 23, 1929, as follows:

Mr. Russell, the district resident architect for Nova Scotia reports that there will be a considerable amount of pointing of masonry and brickwork, also general repairs to carpentry and plastering, and an amount of new copper roofing, as well as a new tile floor in the public lobby, and interior and exterior painting required at the above during the coming fiscal year.

The cost to carry out the above works is estimated at $20,000.

This is too large a sum to take out of the general vote for the maritime provinces, and I recommend a special sum of $20,000 be provided in the estimates to carry out the above works.

Mr. QUINN: Is that the post office building?

Mr. ELLIOTT: Yes.

Item agreed to.

Sherbrooke public building $27,000.

Mr. ERNST: What is the population of Sherbrooke and what is the revenue from the post office there? I would be surprised if either is very large.

Mr. CHAPLIN: What constituency is that in?

Mr. ERNST: Antigonish-Guysborough.

Mr. ELLIOTT: The postal revenue for the years 1928 and 1929 was $1,897; the customs revenue was $848. The population is about 700.

Mr. ERNST: The significant fact is that the practice in connection with new buildings is of a similar nature to the remark passed by the Prime Minister—not a five cent piece to the Tories.

Mr. ELLIOTT: You would not think that about New Glasgow.

Mr. ERNST: It has been overdue for a great number of years.

Sir GEORGE PERLEY: The population of Sherbrooke is about 700; what will be the total cost of this building?

Mr. ELLIOTT: There are three extensive routes running out from there.

Mr. CHAPLIN: Extensive?

Mr. ELLIOTT: The total cost of the building will be $21,500; fittings and furniture, $3,000; grading and sidewalks, $1,000; contingencies and superintendence, $1,500.

Mr. CHAPLIN: The vote last year was $15,000.

Mr. ELLIOTT: There is a revote to the extent of $13,000.

Sir GEORGE PERLEY: We have had this subject before us on many occasions. I must say that the present minister does not seem to pay much attention to the revenue or population of places where public buildings are constructed. A village of 700 people is to have an expenditure so great that the postal revenue of the place would barely pay the interest on the initial cost. So many places in this country are much larger, of greater importance and producing a greater revenue; yet they cannot get funds from this government for a public building. It seems to be an extraordinary situation in view of the fact that this is in a constituency which I am told the Liberals think that no candidate holding the political views of this side of the house can ever expect to be victorious there.

Mr. ELLIOTT: That applies to a great many constituencies these days.

Mr. CHAPLIN: It does not apply to Halifax.

Sir GEORGE PERLEY: To my mind there is no constituency like that in the Dominion. The minister evidently feels that way or he

would not suggest spending $25,000 or $30,000 in a town which can boast of a population only of 700. He would not urge this expenditure if he did not think there was a chance of the Liberal candidate being beaten.

Mr. ERNST: He was beaten in the last Dominion election.

Mr. QUINN: I must correct the hon. member for Argenteuil (Sir George Perley); we do not regard Guysborough as hopeless.

Sir GEORGE PERLEY: The minister evidently thinks that we have a first class chance or he would not put such a large building in such a small place.

Mr. ELLIOTT: There seems to be great disagreement between my hon. friends as to the possibility in this riding, but there is absolute unanimity on this side of the house.

Item agreed to.

Windsor public building—improvements and repairs, $2,000.

Mr. ERNST: I do not rise to make an objection, but I was going to ask the minister to allow an item to stand so that hon. members who are not present could have an opportunity for discussion when they return. I do not think this matter is contentious, but I would ask that it be allowed to stand so that there may be opportunity for discussion. Vote No. 120 would be satisfactory for that purpose.

Mr. ELLIOTT: Very well.

Mr. SMITH (Cumberland): For the fifth consecutive year I wish to bring to the attention of the minister the horribly inadequate postal facilities in the town of Oxford, Nova Scotia. I am sure when I mention the facts I have before me the minister will recall that I have on many other occasions vigorously pleaded for some consideration for improved postal facilities for this town. The town of Oxford has a population of about 1,500 people. They conduct the postal service in a shack 24 feet by 16 feet, and I would like to read a description which points out the disgraceful conditions of the post office in this town.

The post office itself was made out of some private rooms and forms part of an old dwelling house. The remaining portion of the building is a private dwelling. The outside measurement of the post office is 24 feet by 16 feet. Part of this is taken up by what passes for a waiting room averaging 6 feet in width.

I may say that a plan was sent by me in the year 1926, to the predecessor of the present minister.

You will note by the plan that the working space is less than 150 square feet. Part of this is taken up by desks, stove, safe, stamp tables and desk, boxes and wicket ledges. With a large number of mail bags piled in this small space, you can imagine how everything is cluttered up and the handicap under which the clerks (three in number) have to work. The office is very poorly lighted. You will note that there is only one window in the office proper, with four lights of glass measuring 14 inches by 28 inches each. The only other window as shown on the plan is in the waiting room and is of the same size. The office itself is heated by a small stove. The register shown in the sketch is not in use. There is no water, toilet or other conveniences. There is no heat whatever in the waiting room. The waiting room is nothing but a narrow corridor, which can only accommodate a few people at a time. Most of the people have to wait outside the building during the sorting of the mails, which is a particular hardship in cold and stormy weather.

This town is of considerable importance. I have mentioned on previous occasions that three rural routes emanate from this particular point. It is the hub of the county, of Cumberland, it is of manufacturing as well as agricultural importance, and situated in the centre of a very rich agricultural district. Last year the total revenue in stamps from this office was $5,018.42; the revenue from money orders issued was $88,480.99; money orders paid, $29,958.77; postal notes issued, $4,108.92; postal notes paid, $3,069.17. The post office service states that the number of registered letters handled and the number of outgoing insured parcels cannot be given. I wish to point out to the minister that some years ago there was an estimate made by the departmental engineers as to the cost of a new building to supplement the present one. The sum mentioned was $35,000. This was done several years ago, and no effort has been made on the part of the department to arrange for a new building or better postal facilities in this town. May I again urge the minister to give this matter some serious consideration? I had some promises from him a few years ago as to improved postal facilties, but they are far from satisfactory to the people of this town. Petitions complaining about the inadequate facilities have been sent to the department by the town council, and the board of trade; also a number of influential citizens have protested. I think such an expenditure would be as fair as some of those that we have provided for this afternoon for post office buildings. It would at least be as just as the expenditure which was voted this afternoon for a post office building in a town less than half the size and importance of this one. In my opinion the minister should give serious consideration to the representations that have been frequently made not only by myself but by the people of the town in regard to the

granting of decent and respectable post office facilities in Oxford. I suggest to the minister that it is not too late to include an item in the supplementary estimates to provide for this building.

Mr. ELLIOTT: The matter to which my hon. friend refers has been brought up before, and is worthy of consideration. With regard to the other building, I did not interrupt my hon. friend to say that it had become practically impossible to carry on in the old building, according to the Post Office Department. The office was contained in a private house, and it had become impossible to carry on. I will give the question very serious consideration.

Mr. SPEAKMAN: It is not my intention to intervene on behalf of the hon. member for Cumberland, although his plea seems to be reasonable and worth while, but in considering what he has said in regard to the situation in his own town, and in considering the vote to which he referred, it does seem to me that there should be some ratio established as between the population and revenue of a point on the one hand and the amount expended for public buildings on the other. I think there should be some definite and understandable ratio.

Item agreed to.

New Brunswick

Atholville—public building, $14,000.
Forest City—building for immigration and customs excise purposes, $4,000.
St. John quarantine station — Partridge island—improvements, alterations, repairs, etc., $9,500.
St. John—tractor for postal purposes, $1,300.
St. John quarantine station — Partridge island—new pipe line and repairs to existing line, $35,000.
West St. John—purchase of property for Lancaster hospital, $5,000.

Mr. MacLAREN: The total amount for New Brunswick is so small that I cannot offer any objection to any of the items contained in the list, but I would say that the total of $68,800 is extraordinarily small as compared with the other provinces.

Mr. ELLIOTT: I do not want to rush through these items, but as we are approaching the vacation we may not be able to reach them again. Under the next item my hon. friend will have an opportunity to make any remarks he may desire, and perhaps we might carry this small total of $68,800.

Mr. MacLAREN: If the minister would give a few words of explanation with regard to the Lancaster hospital property I think we might pass the vote.

Mr. ELLIOTT: This amount of $5,000 is required for the purchase of the property owned by Mrs. J. W. V. Lawlor, situated on Prince and Duke streets, adjoining the Lancaster hospital premises. The purchase of this property was requested by the deputy minister of health in a communication dated October 7, 1929, in which he urged it very strongly.

Mr. MacLAREN: For what purpose?

Mr. ELLIOTT: To extend the grounds around the hospital in order to prevent anyone else purchasing the ground and building right up to the hospital.

Sir GEORGE PERLEY: This item might carry on the understanding that any items referring to Nova Scotia or New Brunswick public buildings can be discussed under the next vote.

Mr. ELLIOTT: I think that can be done.

Items agreed to.

Progress reported.

Mr. DUNNING moved the adjournment of the house.

Mr. SPEAKER: I might state to the house that when we resume on April 28, the house will be on daylight saving time.

Motion agreed to and the house adjourned at six o'clock p.m., until Monday, April 28, at three o'clock p.m.

Monday, April 28, 1930.

The house met at three o'clock.

PRIVILEGE—MR. MANION

Hon. R. J. MANION (Fort William): I rise to a question of privilege. I do so at this moment, because the Minister of Labour (Mr. Heenan) is in his seat, and he might not happen to be when we reach the orders of the day. As a question of privilege is in order at all times, I presume I may bring it up at this moment. The question I wish to deal with is the report of a speech made by the Minister of Labour at Sioux Lookout and reported in various papers. It was reported in the Fort William paper and the Port Arthur paper along the same lines as I shall read from the Toronto Star of April 15, 1930. The heading is:

Proud of his birth. Heenan scores critic. Answers remarks of Hon. Dr. R. J. Manion but sees he is unaffected.

The despatch is dated Sioux Lookout, April 15. It says that this was a nonpolitical banquet. Then the following paragraph occurs:

During his short address Mr. Heenan declared that the occasion did not warrant the discussion of politics. In connection with interruptions and apparent attempts by certain members of parliament to throw him off his equilibrium, particularly a speech made by Dr. R. J. Manion (Conservative, Fort William) during which remarks were made in connection with the mediocrity of Mr. Heenan's early life and the humble surroundings in which he was born, the minister said: "Far from feeling down-trodden by the honourable gentleman's exposure, I am proud to let it be known that I was born under the thatched roof of a humble cottage in Ireland. In spite of the sarcastic reference by Dr. Manion, I was blessed with a home influence that cannot be equalled."

Asked if he were not a bit shaken by such unusual remarks made by Dr. Manion in connection with his birth, he smiled. "Why should I be shaken by an exhibition of bad manners on the part of another member?" he said.

Neither in the House of Commons nor on a public platform did I ever in any shape, manner or form refer to the place or the condition or the surroundings of the birth of the Minister of Labour or of any other hon. member. I am one of those who believe that the condition of a man's birth has nothing whatever to do with his attainments in life. If the minister is correctly reported, he stated what is absolutely and wholly untrue. Furthermore, if he is correctly reported, he stated what he knows to be untrue. I am hoping the minister will rise in his place and say that he is misquoted, and I am also hoping that the Toronto Star and the other papers that published this false information will give as much importance to the correction as they have given to the statement.

Hon. PETER HEENAN (Minister of Labour): I hope the hon. member for Fort William will not expect me to try to interpret the speech he made on the floor of the house. I have a few editorials, one or two of which I might read. This is from the London Advertiser of April 7, 1930, and it is headed: "Parliamentary Manners." It reads:

The Honourable Peter Heenan is a labour man in the fullest sense, and one of the secrets of his success in settling labour disputes is his sympathy with the workers, with whose needs he is familiar by practical experience. Another of his valuable qualities is his unfailing courtesy and good temper.

Mr. BELL (Hamilton): The member should blush when he reads that.

Mr. HEENAN: I am speaking now about good manners for members.

This appeared in a very marked way in the debate on unemployment, because of the contrast afforded by the extremely unmannerly interruptions to which he was subjected from the opposition benches, and that not from the back benches, but very largely from the front row. Even the leader of the opposition so far forgot his dignity as to ask Mr. Heenan who had prepared his speech. Mr. Heenan himself treated the interruptions with good-humoured indifference, but the Speaker, as guardian of the dignity of the house, felt obliged to intervene and to say that the continual interruptions were unfair. Dr. Manion (Fort William) was afterwards called to order for unparliamentary language. His remark that Mr. Heenan had "reached realms of prosperity beyond his fondest dreams in days gone by" was a contemptible sneer at the minister because he had not been born with a silver spoon in his mouth. Wage-earners will resent the snobbish attitude of Conservative front-benchers toward one of themselves, who has carved out his career unaided, and has discharged the duties of his important office with distinguished success. We quote from Hansard to show the boorishness of the minister's critic.

[Mr. Manion.]

Dr. Manion: The hon. gentleman has a method of his own, a method which is cunning, if one cares to stoop to it during election time. He has a habit of misquoting statements and misstating facts, and after he has done that for a week—

Some hon. Members: Order.

Dr. Manion: He spends a week doing that sort of thing during election time, and then on Sunday he goes to church and prays that the good Lord will not allow anybody to come around to tell the truth during the next week.

Some hon. Members: Order.

Dr. Manion: He also conjured up in his brain—if I may use that term after listening to his three-hour speech—a sort of idiotic delusion that in some way I had endeavoured to stop the building of the trans-Canada highway.

Some hon. Members: Order.

At this point the Speaker intervened, and Dr. Manion was obliged to retract. The member for Fort William was not the only offender. Many passages as reprehensible as the foregoing could be reproduced from Hansard. By actual account, the minister was interrupted 145 times.

Labour has reason to be proud of the demeanor of its representative in the government, and of his observance of the best traditions of parliamentary decorum. He showed an example of the manners which spring from natural goodness of heart, and which neither wealth nor college and professional training was able to impart to those whom Speaker Lemieux was obliged to rebuke.

I have another quotation here from the Toronto Globe of April 9, 1930. It is headed, "'Smart Alecks' in the House," and reads:

No doubt the people of Canada generally regard the House of Commons as a place where the public business of the country always is transacted in a dignified and orderly manner. They will be disillusioned—and it is a pity—by reading reports of proceedings in parliament during a recent speech by Hon. Peter Heenan, Minister of Labour. Reasonable interruptions always are in order, but on this occasion opposition members went out of their way to create a ridiculous situation. Mr. Heenan essayed to discuss the problem of unemployment; but, as reported in Hansard, his speech was rendered quite ineffective by "smart" interjections by honourable members who appeared to have little regard for the time and the business of parliament.

The Stratford Beacon-Herald has been analyzing the incident, and finds that by actual count there were eighty-one interruptions during the course of the address. As the Beacon-Herald says, "the score runs like this": Stevens, 12; Irvine, 2; Bennett, 8; Manion, 12; Arthurs, 2; Geary, 1; Spence, 2; Fraser, 1; Short, 2; Ernst, 1; Hanson, 2; Ryckman, 1; Garland, 2; honourable members, 15; MacDougall, 13; McRae, 1; Chaplin, 1. Total, 81.

This record reads like the story of a cricket match, but unfortunately it indicates the view taken by some men of their responsibilities as members of a national deliberative assembly—the parliament of Canada. The annual session of the federal house costs the country in the neighbourhood of $2,000 per hour.

Mr. RYCKMAN: What is it costing now?

An hon. MEMBER: Six thousand dollars for the minister's speech.

Mr. HEENAN: If my remarks will help to correct what these papers call bad manners, it will be money well spent. To continue the quotation:

There will be created in the minds of the taxpayers a feeling of resentment that so many members are willing to take up the time of the house in this way. There is no public interest in nonsensical interruptions—at least, not in eighty-one of them during one brief speech. And there will be disapproval of the evident attempt to make of the serious condition of unemployment a political football to be kicked about during the next election.

Here is another quotation that I think will be well worth my reading. It is from the Toronto Star of April 8, 1930, and is headed, "An Eruption of Interruptions." It reads:

The editor of the Stratford Beacon-Herald has been reading Hansard—and to good advantage. For he has discovered that the transaction of business at Ottawa is impeded at times by meaningless and frivolous objections. He has taken the trouble to count those which "turned into somewhat of a muddle" a speech recently delivered by the Hon. Peter Heenan. There were in all eighty-one—eighty-one interruptions in the course of a short address. Including those which Hansard lists as having been made by anonymous "honourable members" the interruptions were contributed as follows:

Then follows the list of interruptions by different members which I have already quoted. It goes on:

An occasional interruption is justified, but a running fire of parliamentary heckling serves no good purpose. And wastes valuable time.

Here is a quotation from the Toronto Star of April 14, 1930, headed, "Giving Character to a Government." It reads:

The old saying that the most sticks and stones are to be found under the best apple trees may apply to Hon. Peter Heenan and the numerous attacks made on him by the Conservative opposition in the Commons. By actual count Mr. Heenan was interrupted eighty-one times during a recent speech, and this, while it may have been an unintentional tribute to the work of Mr. Heenan, must also be characterized as an abuse of parliamentary practice.

Mr. Heenan has been attacked as one who has bettered his position in life, as though the opportunities of self-improvement afforded by Canada were not among her chief attractions and the number of citizens who have risen from humble beginnings to prominence were not a source of national pride. Unlike many others Mr. Heenan has not forgotten the class to which he belongs, but has been tireless in his efforts to promote the welfare of the workers, not only by encouraging the application of the eight-hour-day principle and the payment of fair wages, but by trying to secure such high standards of working conditions at all times as to foster industrial peace.

Mr. Heenan has not been many years in the federal cabinet. But in the short period of his experience as a minister he has had a share in the establishment of the old age pensions system, the partial application of the eight-hour day in the civil service and the settlement of many disputes that threatened the interests of both workers and employers. His conduct of the Labour department thus far has enhanced the prestige of the Mackenzie King government.

I have read that last sentence for the benefit of the Prime Minister. To answer directly the question put by my hon. friend from Fort William, I had not even thought of him, let alone mentioned the hon. member's name in my address at Sioux Lookout.

Mr. MANION: I take it, then, that the hon. gentleman denies that he made any of the statements which the various papers throughout the country have quoted?

Mr. HEENAN: No, I did not say that. In my speech I said that I was born under a thatched roof, that I was proud of it, and that I got a training under that thatched roof which neither college nor university had imparted to those who heckled me during my speech; but in my address I did not mention the Hon. Doctor Manion or any other hon. member.

Mr. MANION: All I have to say is that the hon. gentleman allowed the reporters to be under the impression that he applied this whole statement to me. I repeat, sir, that I have never either in this house or elsewhere spoken of the hon. gentleman's birth or upbringing or home surroundings or anything of the sort. I may add, Mr. Speaker, that the hon. gentleman's quoting from a lot of partisan articles in praise of himself is no answer to this statement at all. I repeat, the whole statement is absolutely and wholly untrue.

EXCHEQUER COURT ACT

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 122 to amend the Exchequer Court Act.

He said: It happens quite frequently, Mr. Speaker, that the crown finds itself in possession of moneys which belong to parties other than the crown, and the claims to these moneys cannot be investigated under the present system because no judicial machinery has been provided for the purpose. This bill is to give authority for the Exchequer Court of Canada to order the deposit of such moneys into court and to adjudicate as to the law and the facts thereon.

Motion agreed to and bill read the first time.

CRIMINAL PROCEDURE IN ALBERTA

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 123 respecting criminal procedure in Alberta.

He said: In the Alberta Act it is provided that the procedure in criminal matters as enacted by the Northwest Territories Act shall apply to the province until the governor in council declares that that procedure or part of it is inapplicable. In 1929 an order in council was passed declaring section 66 of the Northwest Territories Act inapplicable to the Supreme Court of Alberta. This section provided for the trial of many criminal offences summarily without a jury. The present bill is to confirm the order in council and to amend another section of the act to bring it into harmony with the present situation.

Mr. BENNETT: Does the same apply to Saskatchewan?

Mr. LAPOINTE: Yes; but this was done at the request of the government of Alberta.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 113 respecting the capital stock of the Ottawa Electric Railway Company—Mr. Chevrier.

Mr. DEPUTY SPEAKER: There are a number of divorce bills for first reading. Would one vote suffice?

Some hon. MEMBERS: No, no.

Some hon. MEMBERS: Carried on division.

Bill No. 115 for the relief of Amy Lucinda Jenkins—Mr. Pettit.

Bill No. 118 for the relief of Mabel Robb Blaiklock—Mr. Black (Yukon).

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

[Mr. Lapointe.]

EX-INDIAN ARMY OFFICERS

Mr. MACDONALD (Kings):

(1) What amount has been paid ex-Indian Army officers under vote of parliament item number 437, supplementary estimates for year ending March 31, 1930?

(2) What amount has the government of Prince Edward Island contributed, or paid to such army officers as its share in settlement of these claims?

(3) What are the names of those to whom paid, and the amounts paid to each, by the federal and provincial governments, respectively?

(4) What claims remain unpaid and what are the reasons for non-payment in each case?

Mr. MACKENZIE KING:

(1) Payments were made, ex gratia, from a fund formed by joint contributions voted by the parliament of Canada and the legislature of Prince Edward Island, in accordance with the following account:

Compassionate Allowance to Certain British Ex-Officers

Amount voted by Dominion parliament—Miscellaneous No. 437—1929-30	$ 8,000
Amounted voted by Prince Edward Island parliament, 1929-30	8,000
	$ 16,000

Claims paid:

Name	Amount £	s.	d.
1. Captain W. J. Rolinson	275	0	0
2. Captain A. H. Butler	362	10	0
3. Captain E. R. Morant, D.S.O., R.N. (retired)	536	0	0
4. Captain K. J. N. Duthie (Inspector of Police, F.M.S.)	362	10	0
5. Captain M. C. Allenby, R.N.	550	0	0
6. Captain L. B. Steedman	325	0	0
7. Captain R. B. Quin	432	0	0
8. Paymaster Lieutenant D. A. Curtis, R.N. (retired)	434	0	0
	3,277	0	0

All claims were paid in England by the High Commissioner's Office with the exception of that of Captain Rolinson, £275.0.0. ($1,338.33). This amount was paid direct by the Prince Edward Island government to this claimant, who is now residing in that province, and the balance $6,661.67 forwarded to Ottawa for transference to London.

(2) Answered by No. 1.

(3) Answered by No. 1.

(4) Certain claims for indirect losses have been submitted and have not been paid. They are set forth in the following account:

	£	s.	d.
Captain E. R. Morant, D.S.O., R.N. (retired)	413	16	0
Captain M. C. Allenby, R.N.	725	0	0
Captain L. B. Steedman	882	3	10
Captain R. B. Quin	408	0	0

Captain Allenby also made a general claim for interest and Paymaster Lieutenant Curtis intimated that he desired to submit a claim for expenses if they were being allowed. The legal advice bureau, British Legion, claimed the sum of £300, the costs of prosecution of Mitchell in England.

The amounts voted by parliament and the legislature of Prince Edward Island were intended to cover ex gratia payments and there was no admission of any legal liability on the part of either government. Consequently, direct losses were regarded as a primary claim and were paid out of the appropriation and they exhausted the fund.

IMMIGRATION—MEDICAL EXAMINERS

Mr. ROSS (Kingston):

1. How many medical examiners were sent overseas for examination purposes on immigration?
2. How many have returned home and for what reasons?
3. What was the length of service in each case?
4. How many remain overseas and where are they stationed?

Mr. KING (Kootenay):

Department of Pensions and National Health

1. Twenty-seven.
2. Seven. Four resigned; one transferred to headquarters at Ottawa; one transferred to immigration medical duty at Canadian ocean ports; one dismissed for unsatisfactory service.
3. Four years and two months, twenty-two months, twenty-one months, seventeen months, two years and one month, thirteen months, seventeen months.
4. Twenty.

Area centre where stationed:

England—	
London	5
Liverpool	3
Newcastle	1
Wales—Cardiff	1
Scotland—Glasgow	3
Ireland—Belfast	2
France—Paris	1
Germany—Hamburg	1
Belgium—Antwerp	1
Poland—Danzig	2

PERMANENT NIGHT WATCHMEN

Mr. GARLAND (Carleton):

1. What total number of hours per week are required to be served by permanent night watchmen of the Dominion government?
2. Are the said employees allowed statutory holidays?

Mr. RINFRET:

Department of Marine and Fisheries
(Marine branch)

1. Usually eighty-four hours.
2. They are allowed twenty-one days' annual leave, and sick leave, with pay, but not usually statutory holidays.

Department of National Defence

1. One permanent night watchman—58 hours per week.
one permanent night watchman—56 hours per week.
2. Yes.

Department of National Revenue

1. 42 plus 7 for which an overtime allowance is paid.
2. Yes.

Department of Pensions and National Health

1. The number of hours varies in different districts from 48 to 72, the average being 58.
2. Holiday leave is granted, but not necessarily statutory holidays, as services must be maintained without interruption.

Department of Public Works

1. From 43¾ to 91 hours per week.
2. Yes.

Department of Railways and Canals

1. 84.
2. No.

Department of Trade and Commerce

1. The only watchmen employed by the Department of Trade and Commerce work at the Canadian government elevators. They serve an average of 12 hours per night, six nights per week.
2. Two weeks vacation with pay are allowed each year.

TOPOGRAPHICAL SURVEY MAPS

Mr. FAFARD:

How many maps were made by the topographical survey branch since 1917, stating,
(a) the number of maps for each province,
(b) the number of square miles mapped in each province,
(c) the area in miles for each province,
(d) the total cost of the said maps in each province,
(e) the revenue derived from selling of the said maps since 1917?

Mr. STEWART (Edmonton): There were 167 maps made by the topographical survey branch since 1917:

(a) Nova Scotia, 5; New Brunswick, 2; Quebec, 4; Ontario, 13; Manitoba, 36; Saskatchewan, 26; Alberta, 55; British Columbia, 10.

(b) Nova Scotia, 4,070; New Brunswick, 3,403; Quebec, 20,565; Ontario, 66,149; Manitoba, 98,247; Saskatchewan, 88,496; Alberta, 87,142; British Columbia, 7,306.

(c) Nova Scotia, 21,428; New Brunswick, 27,185; Quebec, 703,653; Ontario, 407,265; Manitoba, 251,832; Saskatchewan, 251,700; Alberta, 255,285; British Columbia, 355,855.

(d) Nova Scotia, $77,600; New Brunswick, $62,270; Quebec, $112,155; Ontario, $86,830; Manitoba, $76,315; Saskatchewan, $214,470; Alberta, $213,430; British Columbia, $117,820.

(Cost of field work)

(e) $16,590.—(for the years prior to 1924 information is not available).

EX-SOLDIER PENSIONS

Mr. McGIBBON:

1. How many ex-soldiers are drawing pensions for war disability?
2. What is the average pension received by each?
3. How many dependents of the above are drawing pensions?
4. What is the average pension each receives?
5. How many applications for pensions have been refused?

Mr. KING (Kootenay):

1. 57,044 (as at March 31, 1930).
2. $474.63.
3. Number of pensions paid to dependents of deceased soldiers—19,632 (as at March 31, 1930).
4. $546.86.
5. Since 1924, 50,581 claims for entitlement to pension for injury or disease resulting in disability and death have been refused by the Board of Pension Commissioners.

Prior to January, 1924, there are no available statistics, but on demobilization many men were automatically considered on the military documents and their claims refused, and from demobilization until January, 1924, the records are so incomplete that any figures would be very misleading.

Approximately 8,000 dependent claims have been rejected.

RADIO BRANCH

Mr. MURPHY:

1. How many radio licences were issued in the years 1927, 1928 and 1929, in each of the provinces of the Dominion?
2. How many inspectors of radio were in the employ of the government in 1929?
3. What was the cost of operating the radio branch in 1929?
4. Has the government any financial interest in any broadcasting stations?
5. If so, what are their names, locations, the cost of operation and the revenue derived therefrom?
6. What regulations govern broadcasting at the present time?

Mr. CARDIN:

1. Statements attached.
2. (a) Aid to navigation service and administration of the Radio Act:

Permanent inspectors.. 8
Part-time inspectors.. .. ..

(b) Service to broadcast listeners:

Permanent inspectors.. 45
Part-time inspectors.. 36

3.

	Fiscal year 1928-29	Fiscal year 1929-30 11 months ending February 28, 1930
(a) Aid to navigation service and administration. . .	$710,057 76	$659,887 70
Civil government.	38,610 00	39,185 00
(b) Service to broadcast listeners. . ..	166,775 89	178,002 48
Civil government. ..	2,280 00	2,670 00
	$917,723 65	$879,745 18

4. No.
5. Answered by No. 4.
6. (a) Nationality of Licences—Licences for "transmitting stations" are issued only to British subjects or to companies incorporated under the laws of the Dominion of Canada or any of the provinces thereof. Licences for "private receiving stations" are issued to any person in Canada, irrespective of nationality.

(b) Private Commercial Broadcasting Licence—Private commercial broadcasting licences may be granted to land stations to be operated for the broadcasting by radiotelegraph or radiotelephone of news, information, entertainment or other service.

The working of the station must be strictly limited to the hours prescribed in the licence and the station must use such wavelength as is specified therein.

The station must be operated by a person who is the holder of a "first class" or a "radiotelephone" certificate of proficiency in radio.

(c) Amateur Broadcasting Licence—Amateur broadcasting licences may be granted to recog-

nized radio associations. They will not be granted to individuals. Such licences will permit broadcasting on a wavelength of 250 metres at the hours and for the periods prescribed in the licence. The normal range of amateur broadcasting stations will be limited to 25 miles.

An association licensed to operate an amateur broadcasting station may, subject to the approval of the minister, authorize a station belonging to one of its members to broadcast on its behalf; such station whilst broadcasting shall use the the call signal and wavelength allotted to the association. The association will be held responsible for the proper operation of the station in accordance with the provisions of the licence and the radio regulations.

Fiscal year 1927-1928

—	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T. and Yukon	Total
Private radio receiving	587	7,105	4,461	51,283	126,607	19,284	26,479	14,778	18,514	88	268,420
Private commercial broadcasting	2	1	3	9	30	2	11	14	12	.....	84
Amateur broadcasting	.....	1	1	.....	8	.....	4	.....	1	.....	15
Limited coast	.....	3	.....	.....	.....	.....	.....	.....	.....	.....	3
Public commercial	.....	.....	.....	3	.....	.....	.....	1	3	.....	7
Private commercial	.....	2	.....	7	28	6	5	3	26	.....	2.
Experimental	.....	2	4	6	26	.....	.....	1	3	.....	77
Amateur experimental	9	23	18	61	188	29	72	53	74	5	532
Training school	.....	.....	.....	1	1	3	.....	.....	4	.....	9
Aircraft	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	0
Ships	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	312
Total all classes	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	269,501

Fiscal year 1928-1929

—	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T. and Yukon	Total
Private radio receiving	758	8,611	6,289	49,812	145,480	20,497	27,386	14,974	23,480	111	297,398
Private commercial broadcasting	3	3	3	9	24	4	11	12	10	.....	79
Amateur broadcasting	.....	2	.....	.....	6	.....	3	.....	1	.....	12
Limited coast	.....	3	.....	.....	.....	.....	.....	.....	.....	.....	3
Public commercial	.....	.....	.....	3	.....	.....	.....	1	.....	.....	4
Private commercial	.....	2	.....	18	30	10	5	3	28	2	98
Experimental	.....	2	3	7	27	1	.....	1	5	.....	46
Amateur experimental	9	35	15	68	180	40	87	56	87	7	584
Training school	.....	1	.....	1	1	1	.....	.....	1	.....	5
Aircraft	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
Ships	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	333
Total all classes	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	298,564

Fiscal year 1929-1930

(11 months ending 28th February, 1930)

—	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T. and Yukon	Total
Private radio receiving	969	12,681	8,249	70,008	201,941	25,455	31,266	20,574	34,426	134	405,703
Private commercial broadcasting	3	3	3	9	25	4	11	13	10	.....	81
Amateur broadcasting	.....	1	.....	.....	5	.....	3	.....	1	.....	10
Limited coast	.....	4	.....	.....	.....	.....	.....	.....	.....	.....	4
Public commercial	1	4	2	13	7	6	.....	5	9	.....	47
Private commercial	.....	3	.....	18	34	10	8	6	49	7	135
Experimental	.....	2	2	14	36	1	.....	4	12	.....	71
Amateur experimental	8	34	14	64	213	41	92	52	87	5	610
Training school	.....	1	.....	1	1	1	.....	.....	1	.....	5
Aircraft	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3
Ships	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	320
Total all classes	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	406,989

RIVER ST. CHARLES—DREDGING AND DAMMING

Mr. LAVIGUEUR:

1. Were contracts made between the Dominion government and the city of Quebec, in 1910, in connection with the dredging and damming of the river St. Charles?

2. On what date were contracts awarded to contractors for said works?

3. To whom were said contracts awarded, what amount was paid to contractors for said works, and in what year?

4. In what year and for what reason were said works discontinued?

Mr. ELLIOTT:

1. No.

2. March 12, 1913 to Quinlan and Robertson. May 12, 1915 to the Dominion Bridge Company, Limited.

3. Quinlan and Robertson: 1913-14, $83,200.00; 1914-15, $115,632.63; 1915-16, $384,373.57; 1916-17, $375,703.45; 1917-18, $93,315.15; 1918-19, $16,622.65. Dominion Bridge Company, Limited; 1925-26, $5,443.62.

4. The then government decided to discontinue the works in 1917.

ROSS RIFLE FACTORY, QUEBEC

Mr. LAVIGUEUR:

1. Is the Dominion government the owner of the property on which is erected the Ross Rifle Company factory, located in the park of the National Battlefield, at Quebec?

2. Is it the intention of the government to demolish the buildings of the Ross Rifle factory?

3. Is it the intention of the government to remove to other localities the war material stored in the buildings of the Ross Rifle Company?

4. Was there a request made to the Dominion government by the city of Quebec for the land on which is located the Ross Rifle Company factory?

Mr. RINFRET:

1. Yes.

2. and 3. It is the intention of the government to transfer these buildings to the National Battlefield commission as soon as storage facility can be provided for the ordnance stores now housed in these buildings.

4. No.

CANADIAN NATIONAL RAILWAYS—COAL SUPPLY

Mr. SMITH (Cumberland):

1. What did it cost the Canadian National Railways, on cars at pit mouth, to produce, in the United States, 1,000,000 net tons of coal, during the calendar year 1929?

2. In estimating cost of coal so mined, what amount outside of mine labour, by way of interest on investment in the mines, depreciation, exhaustion of mineral, taxes, superintendence, general overhead, etc., was included in said cost?

3. What was the cost per ton for rail transport of said coal from Canadian National Railways United States mines to divisional points in Canada where such coal was used by the Canadian National Railways?

4. Was union or non-union labour employed in the production of said coal?

5. Were the mines where said coal was produced operated directly by the Canadian National Railways?

6. If not, what are the particulars?

7. What are the names and locations of said mines in the United States of America?

Mr. DUNNING:

1. Production in 1929 was 1,477,798 tons. The railway management hold that it is opposed to the public interest to give the other information requested.

2. Not in the public interest to give this information.

3. To Black Rock, $2.24 net ton; Suspension Bridge, $2.24 net ton; Detroit, $2.10 net ton; Port Huron, $2.40, net ton; Fairport, Lorain, etc., for furtherance by water to Georgian bay and Fort William, $1.51 net ton.

4. Open shop.

5. No.

6. Operated by Rail and River Coal Company, a subsidiary of the Canadian National Railways.

7. Mine No. 4, located on the Pennsylvania railroad, 12 miles south of Bellaire, Belmont county, Eastern Ohio. Mine No. 6, located on the Baltimore and Ohio railroad, 5 miles west of Bellaire, Belmont county, Eastern Ohio.

PULVERIZED COAL

Mr. NEILL:

1. Have the Canadian National Railways a hotel now in course of erection at Vancouver, British Columbia?

2. In view of the resolution passed by the house on March 21, 1928, does the building of this hotel not provide a suitable opportunity for testing and demonstrating the possibilities of pulverized coal?

3. Will the government endeavour to secure the cooperation of the Canadian National Railways management in this matter?

Mr. DUNNING:

1. Yes.

2. and 3. The possible use of pulverized coal for the heating of this hotel has been brought to the attention of the management by the Minister of Railways, at the instance of British Columbia members, and the management state that, after due consideration of alternative fuels, it has, for reasons of cleanliness and economy, been decided to use oil.

HUDSON BAY RAILWAY—ORIGINATING FREIGHT

Mr. KENNEDY:

What is the total tonnage of freight originating at all stations on the Hudson Bay railway in each of the years 1925, 1926, 1927, 1928 and 1929, of (a) wheat, (b) oats, (c) barley, (d) rye, (e) other agricultural produce, (f) products of the mine, (g) products of the forest, (h) all other products?

Mr. DUNNING:

	1928	1929
(a) Wheat	....	....
(b) Oats	....	....
(c) Barley	....	....
(d) Rye	....	....
(e) Other agricultural produce	....	....
	Tons	Tons
(f) Products of the mine	211	849
(g) Products of the forest	952	922
(h) All other products	1,016	899
Total	2,179	2,670

Records for 1925, 1926 and 1927 are not available, having been destroyed by fire.

BREAD PRICES

Mr. CHURCH:

1. Will the government take any steps to investigate the high price of bread in Canada, in view of the many months' and weeks' decline in wheat prices?

2. Will the government undertake to find out if any combine or restraint of trade exists to enhance bread prices and the reason master bakers have increased the cost of bread?

3. Will any inquiry be made into the continued high cost of living in Canada?

4. Will the present inquiries into stock brokers' and plumbers' combines be enlarged to include a general inquiry into living costs and their regulation?

Mr. HEENAN:

1-4. Bread prices throughout Canada during the past year have shown no abnormal tendencies in relation to prices of wheat. Average for the Dominion advanced last fall three-tenths of a cent per pound and has since declined two-tenths. Investigations will be made when evidence appears of a combine against the public interest, in bread or other commodities. Inquiries are being made regularly into the cost of living and conditions affecting it, and results are being published by the Bureau of Statistics and the Department of Labour. Special inquiries will be made as conditions indicate these to be necessary.

RADIO LICENCES

Mr. CHURCH:

1. Has the government or any member thereof consented to grant any radio licences for new plants or extensions to old ones?

2. Have any plans of proposed new high-powered stations been submitted to the government? If so, by whom, and where are they located?

3. Has the government approved of any such new plans and given promises of support to the same? If so, to whom?

4. Will any papers dealing with the aforesaid be tabled?

Mr. CARDIN:

1. Since 1st January, 1929, applicants for licenses for new stations, or for permission to increase the power of existing stations beyond 100 watts, have been informed that no decision will be taken with regard to their applications until such time as the report of the royal commission on broadcasting is disposed of.

2. Applications have been received since 1st January, 1929, for the licensing of the following stations with power of 5,000 watts or over:

New Stations

Name of Applicant—Location of proposed station—Power in watts:

Canadian Pacific Railways, Montreal, Que., 50,000; Canadian Pacific Railways, Toronto, Ont., 50,000; Canadian Pacific Railways, Winnipeg, Man., 15,000; Arthur E. Woods, Windsor, Ont., 5,000; Canadian Marconi Company, Glace Bay, N.S., 5,000; Regina Broadcasting Co., Ltd., Regina, Sask., 5,000.

Increase in power for existing stations

Name of Applicant—Location of existing station—Power in watts:

Radio Service, Limited, Saskatoon, Sask., 5,000; Gooderham & Worts, Limited, Bowmanville, Ont., 10,000-50,000; Rogers Majestic Corporation, Ltd., Aurora, Ont., 50,000; London Free Press & Printing Co., London, Ont., 5,000; Western Broadcasting Co., Ltd., Calgary, Alta., 10,000.

3. No.

4. All papers relating to the aforesaid on file in the department will be produced on request in the usual manner.

CROWN LANDS LEASED TO ORIENTALS

Mr. GARDINER:

1. What acreage of crown lands, if any, are leased to orientals?

2. Where are the lands situated?

3. What are the names of the tenants?

4. What is the duration of the tenancies?

5. What are the amounts of the rents in each case?

6. What is the land used for?

Mr. RINFRET:

1. 27·5 acres.

2. In the north half of section 14, township 21, range 1, west of the 5th meridian.

3. Low Son.

4. Five years from 15th May, 1926.

5. $165 per annum.

6. Garden.

FEDERAL APPEAL BOARD CASES

Mr. RENNIE:

1. How many cases have been heard by the Federal appeal board in each year, including 1929, since the board was established?

2. How many cases have been adjudicated upon by the Board of Pension Commissioners in each year, including 1929, since its establishment?

3. In how many cases has the adjudication of the Board of Pension Commissioners been reversed by the Federal appeal board?

Mr. KING (Kootenay):

1.

September 1923, to March 31, 1925.....	409
During fiscal year ending March 31, 1925..	651
During fiscal year ending March 31, 1926..	851
During fiscal year ending March 31, 1927..	1,174
During fiscal year ending March 31, 1928..	1,667
During fiscal year ending March 31, 1929..	1,895
During fiscal year ending March 31, 1930..	2,873
Total..	9,520

Note: Of the cases heard during the period Sept. 1924, to Sept. 1926, 431 were heard twice, first by one member and subsequently by a quorum.

2. From January 1, 1924, to December 31, 1929, 67,191 claims for entitlement to pension for injury or disease resulting in disability and death have been considered by the Board of Pension Commissioners sitting as a board.

Prior to January, 1924, there are no available records in this respect which are authentic, but all cases of ex-soldiers and dependents of ex-soldiers who were on pension at that time were adjudicated upon by the board or its employees and it would be impossible to arrive at the number refused during that period.

3. 1,972 (to March 31, 1930).

ALBERTA—SOLDIER SETTLER FORECLOSURES

Mr. SMOKE:

1. Have any soldier settlers been foreclosed in the province of Alberta, since the year 1926? If so, how many during each year in (a) northern Alberta, (b) southern Alberta?

[Mr. Gardiner.]

2. What has been the loss sustained by the government through such forced sales?

3. Is the department at Ottawa consulted before proceedings are commenced or is such step taken on the initiative of the district officer in charge?

4. Are these farms resold? If so, how many have been resold to, (a) returned soldiers, (b) civilians?

5. What has been the average price obtained?

Mr. STEWART (Edmonton):

1. Yes.

(a)	1926..	108
	1927..	71
	1928..	110
	1929..	134
	1930..	20
(b)	1926..	139
	1927..	110
	1928..	62
	1929..	99
	1930..	16

2. (a) Total loss on chattels, $186,020. In all cases chattels completely sold. Total loss on land in 229 cases where farms sold, $326.

(b) Total loss of $170,497 on chattels in 195 cases where chattels completely sold; total profit of $12,000 in 206 cases where land resold.

3. Foreclosure proceedings are initiated by district office but head office is consulted before further action taken.

4. Yes, when satisfactory offers are received.

(a) Northern Alberta, (a) 2, (b) 227. In 25 cases of farms sold board still holds additional quarter section of low value.

(b) Southern Alberta, (a) 3, (b) 203.

5. (a) $3,190, (b) $3,573.

MR. ALEX. MCGREGOR

Mr. MAYBEE:

1. Did Alex. McGregor, of Toronto, act as counsel in the Hunter inquiry, respecting the Christie street hospital?

2. If so, what amount was he paid for his services in such investigation?

3. What amount has the said Alex. McGregor been paid by the government, or any department thereof, for legal services during 1922 and to the end of the fiscal year 1929, including the intervening years?

4. Is the said Alex. McGregor retained by the government, or any department thereof, in any litigation, or otherwise, at the present time?

Mr. RINFRET:

1. Alex. McGregor acted as counsel in Hunter inquiry for Col. Hunter.

2. No payment was made by Dominion government for his services.

3. (a) Department of Justice, legal services as commissioner for the revision of the statutes between 1924 and 1929, $6,930.73.

(b) Department of National Revenue—

1921-2	Nil
1922-3	Nil
1923-4	$ 20 81
1924-5	656 21
1925-6	37 11
1926-7	Nil
1927-8	225 25
1928-9	Nil
Total	$ 939 38

4. Yes.

INCOME TAX COLLECTIONS

Mr. ROBINSON:

1. What amount of income taxes was collected during each of the fiscal years 1928 and 1929, in the counties of Kent and Lambton?
2. What was the total amount of the said taxes collected during each of the said years, in the London district?

Mr. EULER:

1. Not available. Income tax statistics are not compiled by counties.

2. 1927-1928	$ 4,941,037 96
1928-1929	4,180,823 06

PEACE RIVER—VERMILION TELEGRAPH LINE

Mr. KENNEDY:

1. Is the telegraph line from Peace river to Fort Vermilion being built by the Public Works Department or by contract?
2. Are all supplies for the telegraph line and the camps supplied by tender or otherwise?
3. If by tender, by whom were tenders made, (a) for telegraph poles, (b) wire, (c) other equipment, (d) provisions?
4. What was the amount of each tender and who was the successful tenderer in each case?
5. What were the specifications so far as poles were concerned?
6. Did all poles accepted come up to the standard set in the specifications?
7. Where were such poles brought from?
8. What was the amount expended in 1929 on this line?
9. When is it estimated that the line will be completed to Fort Vermilion?

Mr. ELLIOTT:

1. By the Department of Public Works.

2. All material used in the fiscal year 1929-30, except provisions and camp equipment, were purchased by tender. Provisions and camp equipment were purchased locally, as and when required.

3. and 4. (a) for telegraph poles, 3,000 asked for:—

B. J. Carney & Co., $2.50 each	$ 7,500
Alberta Distributors, Ltd., $2.95 each	8,850
R. W. Bruhn, $3.00 each	9,000
Archibald Cedar & Lumber Co., $3.00 each	9,000
Duncan Hill & Co., $3.20 each	9,600
Bell Lumber & Pole Co., $3.20 each	9,600
Pioneer Pole & Supply Co., $390 each	11,700

Successful tender, B. J. Carney & Co.

(b) for 57,500 lbs. telegraph, and 350 lbs. tie wire:—

Steel Company of Canada, $2,258.25; Northern Electric Co., Edmonton, $4,589.00.

Successful tender, Steel Company of Canada.

(c) for 1,000 lbs. nails, 5,000 side blocks and 5,000 insulators:—

Steel Company of Canada, nails only, $29.76; Dominion Shuttle Co., sideblocks only, $402.45; Dominion Glass Co., Ltd., insulators, $387.50; Northern Electric Co., Edmonton, lot for $775.00.

Successful tenders Steel Company of Canada, Dominion Shuttle Co., and Dominion Glass Company, Ltd., because the sideblocks offered, being birch creosoted, were superior, and the insulators were heavier and of approved form.

(d) Answered by No. 2.

5. Sound straight cedar telegraph poles standard specification, 25 feet long and six inches diameter at top.

6. Yes.

7. Near Sicamous, British Columbia.

8. $46,171.08.

9. Autumn of 1930.

SHEDIAC—PUGWASH PROPOSED RAILWAY

Mr. PRICE:

1. Has a survey been completed of the proposed line of railway from Shediac, in the county of Westmoreland, New Brunswick, via Point Elgin, in the said county, to a point at or near Pugwash in the county of Cumberland, in the province of Nova Scotia?
2. If not, to what stage of progress has the said survey been advanced and when is it expected the same will be completed?

Mr. DUNNING:

No survey has been made. The possibilities of such a project have, however, been examined by the railway management whose studies indicate that there would be no justification for the construction of such a line.

CHATS FALLS—NAVIGATION

Mr. MALONEY:

In connection with power development now under construction at Chats falls on the Ottawa river, what provision has been made for future navigation possibilities on that stream?

Mr. ELLIOTT:

In connection with power development at Chats falls, future navigation possibilities on the Ottawa river provided in the undertaking given by the Chats Falls Power Company and embodied in order in council, P. C. 85, dated March, 21, 1929, as follows:

(a) To convey to the Minister of Public Works, free of charge, such areas as may be required for permanent sites for the necessary locks, dams, embankments, canal reaches and appurtenant works and to provide also, free of cost, such other areas as may be temporarily required for the erection of false works, such as cofferdams, etc., and for construction purposes, which may be required in connection with the building of locks, dams, embankments, etc., provided such areas are owned or controlled by the company; and, further, to make no claim for any indemnity whatsoever owing to the temporary loss or inconvenience in the operation of the company's works, installation, or distribution of power which may be caused by the construction of the canal, dams, embankments and appurtenant works, provided such work is carried on with reasonable dispatch and the least possible inconvenience to the operations of the company.

(b) To make no claim whatsoever should the construction of the canal, dams, embankments, etc., cause the height of water above the company's works to be increased or the flow to be altered.

(c) To make no claim whatsoever for the use of water necessary for the operation and maintenance of the canal and works appurtenant thereto.

(d) To make no claim whatsoever should the navigation project involve the maintenance of the level of lake Deschenes at a higher level than has heretofore been experienced.

(e) In view of the conditioned approval, by order in council of September 30, 1912, P. C. 2600, and of September 24, 1913, P. C. 2383, of the bridge of the Canadian Northern Ontario Railway Company (now Canadian National Railways), the Chats Falls Power Company agrees to bear the cost of any additional changes in the bridge which may be necessary in the interest of navigation and which were not contemplated in the conditions recited in the orders in council mentioned but which are made necessary by the works of the Chats Falls Power Company.

PICTOU LANDING—GUARD PIER

Mr. CANTLEY:

1. What amount was within the past four years voted for construction, rebuilding or repairs of a guard pier or wharf situated at the seaward or eastern side of the coal loading pier at Pictou Landing, Nova Scotia?

2. How much money was expended on said wharf or guard pier in each of the years 1928, 1929, 1930, for, (a) lumber and timber, (b) ballast, (c) other materials, (d) labour, (e) superintendence?

3. Who was the superintendent in charge of this work?

4. What proportion of projected work has been completed?

5. What is the present condition of the work?

6. Is it the intention of the department to complete it, and, if so, when?

7. On whose recommendation was the work undertaken?

Mr. ELLIOTT:

1. $6,000 (1928-29).

2. 1928-29: (a) $2,717.03; (b) $253; (c) $597.83; (d) $1,932.25; (e) (foreman) $435.

3. W. Grant Fraser.

4. 77 per cent.

5. The inner end fully completed on a length of 210 feet; the outer 110 feet completed up to low water mark.

6. Under consideration.

7. By district engineer and concurred in by chief engineer.

PICTOU RAILWAY WHARVES—REPAIRS

Mr. CANTLEY:

1. What proportion of the repairs to the railway wharves at Pictou, Nova Scotia, referred to in the vote made in connection with the estimates of the years 1929 and 1930, have been carried out?

2. How much money was expended on such repairs in each of the years 1929 and 1930, (a) for lumber and timber, (b) for other materials, (c) for labour, (d) for superintendence?

3. When will such repairs be completed?

Mr. ELLIOTT:

1. 1928-29: The most urgent repairs required to the east wharf undertaken.

1929-30: Repairs to east wharf completed. Repairs to shed wharf partly completed.

2.	1928-29	1929-30
(a)	$9,241 70	$5,404 43
(b)	972 14	873 41
(c)	3,169 60	2,928 96
(d) (foreman)	535 00	785 00

3. Expected that repairs will be completed during 1931-32.

ROBERT CATHRO

Mr. EVANS:

1. How long was Robert Cathro farm instructor of Red Pheasant and Stony reserves?

2. Why was he discharged?

3. Why was the vacancy not advertised?

4. What is the name of the present farm instructor?

5. Is he a returned soldier?

6. What is his salary?

Mr. STEWART (Edmonton):

1. 4 months, 22 days.
2. Services reported unsatisfactory.
3. Position exempt from competition.
4. Alexander Lockhart.
5. No information.
6. $840 per annum, plus house, fuel, light and rations.

NATIONAL COAL SUPPLY

Mr. CHURCH:

What steps have been taken to carry out a resolution which was passed by the House of Commons in 1925-1927 for a national coal supply for Canada by which all coal would be mined and coked under the British flag, whether from Wales, Nova Scotia or Alberta, in view of the reported entry of Rusian coal into Canada?

Mr. STEWART (Edmonton):

Orders in council P.C. 439 and P.C. 539 of March 1928 provided for a three-year test movement on coal shipped from Alberta to Ontario and from Nova Scotia and New Brunswick to the provinces of Quebec and Ontario.

The Board of Railway Commissioners for Canada are enquiring into the cost of these test movements and will ascertain the lowest possible rates that could be borne by the railways for transporting Canadian coal.

Since orders in council authorizing this movement were put into effect over 600,000 tons of Canadian coal have been moved to the provinces of Quebec and Ontario from Alberta and Nova Scotia, in direct competition with American coal.

Legislation to aid Canadian coals when used for the manufacture of a domestic coke has been passed.

Two coking plants, one at Halifax, and another at Quebec, are operating under the Domestic Fuel Act of 1927. Canadian coal has entirely replaced United States coal at both these plants.

MR. L. A. GIROUX, M.L.A.

Mr. BLACK (Yukon):

1. Is L. A. Giroux, Liberal member of the legislature of Alberta, now in Ottawa at the public expense?
2. Did said Giroux come to Ottawa by aeroplane? If so, was it the same plane with which he was provided by the government on his trip to Dawson, Yukon, in 1929, and at what expense?
3. Is said Giroux now employed by the government as legal adviser of the director of the Northwest Territories and Yukon branch of the Department of the Interior?
4. Upon what is said Giroux proffering advice, and to whom?
5. When did the said Giroux cease to be the legal adviser or legal officer of the said director of the Northwest Territories and Yukon branch of the Department of the Interior?
6. What minister of the crown or government official sent for the said Giroux to come from Edmonton to Ottawa, and for what purpose?
7. Is the said Giroux being paid or to be paid fifty dollars a day by the Dominion government? If not, how much, and when?
8. Has the said Giroux been paid fifty dollars a day by the government?
9. What was the last amount paid to the said Giroux by the government, and what for?
10. When will the said Giroux's employment with the government come to an end?

Mr. STEWART (Edmonton):

1. No.
2. No.

3, 4, 5, 6 and 7. This information already supplied. See Hansard March 20th, page 805 and return tabled. Mr. Giroux was retained in the usual manner to supply the director of the Northwest Territories and Yukon branch of this department with any legal advice he might require while visiting the Northwest Territories and the Yukon Territory, and to assist in the revision of the Northwest Territories ordinances. His retainer calls for pay only for days employed on this business which is not finally concluded. Remuneration is at the rate of $50 per day.

8, 9 and 10. As intimated above, Mr. Giroux is only paid for days devoted to business for which he has been retained which business has not yet been concluded. Last advance on account of professional services and expenses, $750.

COAL FREIGHT RATES SUBVENTION

Mr. COOTE:

1. What amount has been paid by the government as subvention of freight rates on coal moved from the maritime provinces to central Canada in each of the years in which this subvention has been in force?
2. What amount has been paid by the government as subvention of freight rates on coal moved from Alberta to Ontario in each of the years in which this subvention has been in force?

Mr. STEWART (Edmonton):

1. Amounts paid to date on test movements of coal from the maritime provinces to Quebec and Ontario are as follows:

1928-29	$ 23,318 27
1929-30	55,696 20
1930-31	nil
Total	$ 79,014 47

2. No payments have yet been made on test movements of coal from Alberta to Ontario.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MR. BOURGAULT

Mr. MURPHY:

1. How many years was Mr. Bourgault, now inspector of railroad operation under the Board of Railway Commissioners, secretary to the chief operating officer, Board of Railway Commissioners?

2. What is the name and title of the person who prepared the questions for the examination for the position Mr. Bourgault occupies?

3. What are the names, addresses and occupations of all men who wrote on this examination?

4. What number of years practical railroad operation experience did Mr. Bourgault have, where did he work, and for how long?

5. Did Mr. Bourgault write the "a" book on standard rules governing the operation of railways?

6. What is the number of Canadian National Railways employees who applied for this position and wrote examination?

7. What is the number of Canadian Pacific Railway employees who applied for this position and wrote examination?

CANADIAN EXPEDITIONARY FORCES—ENLISTMENTS

Mr. WARD:

1. What were the total enlistments in the Canadian Expeditionary Forces?

2. What number served as officers or left the service as officers?

3. What is the number of pensioners and the total amount paid monthly?

4. What is the number of pensioners of the rank of captain and higher, and what is the total amount paid monthly to such ranks?

5. What is the number of pensioners of all ranks lower than captain, and what is the total amount paid monthly to such ranks?

6. What are the pay and allowances paid to officers who are admitted to hospital for treatment of war disabilities?

7. What are the pay and allowances paid to those not holding the rank of an officer who are admitted to hospital for treatment of war disabilities?

8. What accommodation is provided for officers?

9. What accommodation is provided for the other ranks?

UNOPPOSED MOTIONS FOR PAPERS

MR. J. J. LETCHER

On the motion of Mr. Garland (Bow River):

For a copy of all correspondence, memoranda, reports, recommendations and other documents relating to the dismissal of Mr. J. J. Letcher, supervisor for the Soldier Settlement Board at Drumheller, Alberta.

Mr. GARLAND (Bow River): Dropped.

[Mr. C. A. Stewart.]

STEAM TRAWLERS AND DRAGGERS

Mr. SHORT:

For a copy of all correspondence and telegrams, both from Canada and other countries, in connection with steam trawlers, as relates to Bill 26 and order in council P.C. 2196, October 30, 1929; also as relates to draggers as set forth in order in council P.C. 39, of January 7, 1930.

PRINTING BUREAU—SUPERANNUATIONS.

Mr. HANSON:

For a statement showing the names of all persons in the Department of Public Printing and Stationery, superannuated under the Public Service Retirement Act (Calder Act), their ages, years of service, salary at the time of retirement and amount allowed per annum for superannuation.

OPIUM AND NARCOTIC DRUG ACT

Mr. BRADY:

For a return showing: 1. What was the total amount expended by the Department of National Health in the administration of the Opium and Narcotic Drug Act in each of the fiscal years 1925-6, 1926-7, 1927-8, 1928-9, 1929 to date?

2. What was the total revenue derived by the Department of National Health in each of the said years: (a) from licence fees; (b) from fines; (c) from other sources in connection with the Opium and Narcotic Drug Act?

3. What was the total amount paid by the Department of National Health in each of the said years: (a) for salaries; (b) for the travelling expenses of its officers in connection with the enforcement of the Opium and Narcotic Drug Act?

4. Any of the moneys of the department charged to the payment of the travelling expenses of officers in connection with the administration of the Opium and Narcotic Drug Act actually expended in paying the travelling expenses of any person or persons other than officers of the department, and, if so, to whom, and in what amounts in each of the said years?

5. What were the total number of convictions in Canada for offences under the Opium and Narcotic Drug Act in each of the fiscal years 1921-2, 1922-3, 1926-7, 1927-8, 1928-9, 1929 to date?

6. Of such convictions how many were obtained in each of the said years through prosecutions instituted by: (a) officers of the Department of National Health; (b) provincial authorities; (c) municipal authorities; (d) Royal Canadian Mounted Police?

7. How many narcotic prosecutions were instituted by the authorities of the Department of National Health in the fiscal years 1921-2, 1928-9, 1929 to date, and how many convictions resulted?

8. What was the average expenditure of the Department of National Health: (a) per prosecution; (b) per conviction, under the Opium and Narcotic Drug Act in each of the fiscal years 1921-2, 1922-3, 1926-7, 1927-8, 1928-9, 1929 to date?

9. How much was expended for the travelling expenses of officials engaged in enforcing the Opium and Narcotic Drug Act: (a) per prosecution; (b) per conviction, in each of the said years?

10. What increase has taken place in the staff of the narcotic division of the Department of National Health since 1921? What increase since 1927? What increases are proposed?

11. How many known drug addicts are there in Canada? How many in each province?

12. How many drug addicts have been sent to institutions for treatment and with what results? How many were cured?

13. The respective percentage of persons of Caucasian and Oriental extractions.

CANADIAN COPYRIGHT ACT AND INTERNATIONAL CONVENTION OF BERNE

Mr. CHEVRIER:

For a copy of all papers, letters, despatches, telegrams and other documents exchanged since March, 1927, to date, between the British authorities and the Canadian government, relating to the Canadian Copyright Act and the International Convention of Berne for the Protection of Literary and Artistic Works.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 34, to amend an act to incorporate the Canadian Bible Society auxiliary to the British and Foreign Bible Society.—Mr. Evans.

Bill No. 45, to amend the act to incorporate the Imperial Trusts Company of Canada—Mr. Bell (Hamilton).

CONSIDERED IN COMMITTEE—REPORTED

Bill No. 24, respecting a certain patent of George Yates.—Mr. Casgrain.

THE CORNWALL BRIDGE COMPANY

The house in committee on Bill No. 26, to incorporate The Cornwall Bridge Company.—Mr. Smith (Stormont).—Mr. Johnston in the chair.

On section 1—Incorporation.

Mr. GARDINER: May we have an explanation from the sponsor of this bill so that we may know what it is about.

Mr. SMITH (Stormont): I explained this bill when it came up for second reading. It went to committee and was fully explained at that time, but I shall give further information if it is desired. The object of the bill is to incorporate a company to build a bridge at or near the town of Cornwall, so that there may be access between Ontario and Quebec and also between Canada and the United States. It is wholly in Canadian territory and is similar in character to Bill No. 71 of the year 1928, which dealt with the St. Lawrence River Bridge Company. The law department of the government was represented, and on its suggestion the bill was fully considered and certain amendments made to meet the wishes of the committee. There is no further explanation, but I will be pleased to answer any question which may be asked.

Mr. ADSHEAD: I would like to have an explanation about tolls, and what their rates are. Is there provision made for the purchase of that bridge by the municipality or by the province?

Mr. SMITH (Stormont): Yes. And clause 13 dealing with tolls, was changed at the suggestion of the members of the committee, the amendment reading as follows:

—and the board shall have jurisdiction and control over tolls to be charged in respect of the use of pedestrian, vehicular, tramway, street railway, electric railway or other like traffic, on, over, across or through the bridges owned or operated by the said company and all the provisions of the Railway Act relating to tolls and tariffis shall apply thereto, mutatis mutandis, and the board may revise the same from time to time.

That was taken up in committee and met with entire satisfaction.

Mr. GARDINER: Is there any objection to this bridge by the provincial government of Ontario?

Mr. SMITH (Stormont): There was a letter from a member of one department. There is no doubt that they had some objections in a general way, to the principle, but the committee did not consider that the provincial government of Ontario as a government had made any objection. We have an instance before us in connection with the Hawkesbury bridge, which has been hanging fire for eighteen years. They have been trying to get a bridge costing $400,000 to go across the Ottawa river for which the provincial government of Quebec has offered to pay one-third and this parliament has offered to pay a similar amount, but the province of Ontario has refused to pay the one-third allotted to it; they suggest that the Dominion should pay half. It has taken twenty years to deal with that bridge, and the committee felt that the province of Ontario had no serious thoughts of building at this location and if so they could deal with the company. We are asking that a bridge be built immediately, because it is absolutely essential.

Mr. ADSHEAD: Would the fair wage clause require to be approved by the Minister of Labour?

Mr. SMITH (Stormont): This clause has been suggested by the labour men, and the minister says it is the clause which applies to all such undertakings.

Section agreed to.

Sections 2 to 7 inclusive agreed to.

On section 8—Power to construct a bridge.

The CHAIRMAN: In this section the words "Railway Act" are substituted for the words "Navigable Waters Protection Act."

Mr. GARDINER: We might have some explanation of this amendment.

Mr. SMITH (Stormont): The legal officers of the department claimed that this matter came more properly under the Railway Act, which would give them power to deal with the question of tolls and other matters of that kind. There is no machinery under the Navigable Waters Protection Act for dealing with these matters, so I readily agreed to the change which was requested by the legal officers of the department.

Mr. GARDINER: The Navigable Waters Protection Act would protect the interests of navigation in connection with this bridge, and surely that is not done under the Railway Act?

Mr. SMITH (Stormont): The bill provides that the bridge must be constructed subject to the approval of the governor in council, and navigation is safeguarded adequately. The plans must be all approved by the various departments of the government, and all interests are safeguarded.

Mr. SPENCER: Has this bill received the approval of the Ontario government?

Mr. SMITH (Stormont): That is not necessary.

Mr. GARDINER: In view of the fact that this bill gives power to the Board of Railway Commissioners, why was it not sent to the railway committee?

Mr. SMITH (Stormont): I do not know. It was immaterial to me whether it went to the railway committee or the private bills committee; I believe the Minister of Finance suggested that it should go to the railway committee, but Mr. Speaker ruled that it should go to the private bills committee. I sponsored a somewhat similar bill in 1928, which also was sent to the private bills committee.

Section agreed to.

Sections 9, 10 and 11 agreed to.

[Mr. Adshead.]

On section 12—May accept grants.

Mr. GARDINER: I must object to this section. I do not think it right that this House of Commons should give permission to a company which intends to build a bridge for profit to accept gifts from municipalities. I will move that this section be stricken out.

Mr. SMITH (Stormont): I have no objection, because I do not know of any municipality which will offer any gifts to the company. I might say that the idea is that where the bridge joins a roadway, or in any similar case, some small concession might be made, or small parcels of land might be traded or perhaps even deeded by the municipality. I have no objection to striking out the section if that is the desire of the committee.

The CHAIRMAN: I am afraid the amendment is not in order. According to standing order 113 no important amendment may be proposed to any private bill in committee of the whole house or on the third reading of the bill unless one day's notice has been given. I will have to rule the amendment out of order. Shall the section carry?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

The CHAIRMAN: I declare the section carried.

Section agreed to.

Sections 13, 14 and 15 agreed to.

The CHAIRMAN: Sections 16, 17 and 18 have been deleted.

Sections 19 to 23 inclusive agreed to.

The CHAIRMAN: Section 24 has been struck out.

On the preamble.

Mr. ADSHEAD: It has been ruled that section 12 has been carried without amendment. Is the sponsor of the bill desirous that that amendment be withdrawn?

Mr. SMITH (Stormont): I do not desire it, but I have no objection.

The CHAIRMAN: The bill is in the hands of the committee, not in the hands of the sponsor.

Preamble agreed to.

Bill reported.

PATENT OF EDGAR D. CRUMP

The house in committee on Bill No. 44, respecting a certain patent of Edgar D. Crump.

On section 1.—Extension of time for application to restore and revive patent.

Mr. GARDINER: Will the sponsor of the bill give the committee an explanation?

The CHAIRMAN: The sponsor is not present.

Mr. RINFRET: I have a few notes regarding this bill which covers a patent on tourniquets, an apparatus used to stop the flow of blood, granted to Dr. Charles F. Dorsey on August 13, 1913. The owner of the patent failed to renew the patent after the expiration of the first period of six years. When an owner of a patent asks later on for a renewal the department does not object provided the bill covering such renewal is framed in such a way as not to interfere with anyone who, in the interval, may have made use of the patent. This procedure is carried out quite frequently and as far as the department is concerned we have no objection to the present bill.

Mr. RYCKMAN: Do I understand the minister to say that the saving clause has been added to this bill?

Mr. RINFRET: I understand that the bill has been amended by the private bills committee.

Mr. RYCKMAN: Will the chairman read the amendment?

The CHAIRMAN: Section 2 which is the amendment, reads as follows:

In the event of the commissioner making an order restoring and reviving the patent designated in the preamble, if between the date on which such patent expired for non-payment of fees and the twelfth day of October, 1929, any person has commenced lawfully to construct, manufacture, use or sell in Canada the invention covered by such patent, such person may continue to construct, manufacture, use or sell such invention in as full and ample a manner as if said patent had not been restored and revived.

Section agreed to.

On section 2—New Section.

Mr. GARDINER: This section protects anyone who has made use of the patent prior to October, 1929.

The CHAIRMAN: Prior to October 12, 1929.

Mr. GARDINER: Someone may have started to manufacture this product subsequent to that date.

Mr. RINFRET: I cannot speak for the sponsor of the bill. These bills come to us as instructions from parliament, and perhaps this particular one may be allowed to stand.

Mr. RYCKMAN: I think the clause read by the chairman covers the point raised by the hon. member. This section provides protection to anyone who has manufactured or sold the invention since the time of expiration of the patent.

Mr. GARDINER: Someone may have commenced to manufacture this product since October, 1929, and he is not afforded protection. I think the section should be amended so that protection would be given up to the time of the passing of this particular bill.

Mr. RINFRET: As far as the department is concerned we have no objection. If my hon. friend will move such an amendment I am quite willing to accept it.

Mr. GARDINER: Change the section so that it will cover up to the date of the passing of this bill instead of October, 1929.

The CHAIRMAN: If the bill were allowed to pass through the committee such an amendment could be moved on third reading.

Mr. GARDINER: I think it would be better to allow the bill to stand so that the sponsor could be present to accept this amendment.

Progress reported.

THE CORNWALL BRIDGE COMPANY

Mr. STANISLAS BLANCHARD (for Mr. Smith, Stormont) moved the third reading of Bill No. 26, to incorporate The Cornwall Bridge Company.

Some hon. MEMBERS: Carried.

Mr. GARDINER: Mr. Speaker, does it not require the unanimous consent to give third reading to a bill?

Mr. DUNNING: This bill was not amended.

Mr. GARDINER: Which bill are we dealing with?

Mr. MARCIL: Bill No. 26.

The DEPUTY SPEAKER: The bill was not amended in committee of the whole.

Mr. GARDINER: I understood there were quite a few amendments.

The DEPUTY SPEAKER: The amendments were made in the select standing committee to which the bill had been referred, and not in committee of the whole. The motion for third reading is in order.

Motion agreed to on division, bill read the third time and passed.

ESTATE TRUST COMPANY—CONCURRENCE IN SENATE AMENDMENTS

Hon. CHARLES MARCIL (Bonaventure) (for Mr. Jacobs) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 23, to incorporate Estate Trust Company.

Mr. GARDINER: Explain.

Hon. CHARLES A. DUNNING (Minister of Finance): While the sponsor of the bill is not present, I recollect that when it was before the select standing committee on banking and commerce, a change of name was insisted upon because of a conflict between the name desired by the promoters of the bill and names already in existence. Through a clerical error the name went forward to the Senate as "Estate Trust Company," and the Senate has amended the bill by adding the letter "s" to the word "estate," making the name the "Estates Trust Company," the name which is now desired by the promoters and to which there is no exception.

Motion agreed to; amendments read the second time and concurred in.

THE SAINT NICHOLAS MUTUAL BENEFIT ASSOCIATION—CONCURRENCE IN SENATE AMENDMENTS

Mr. MICHAEL LUCHKOVICH (Vegreville) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 29, to incorporate the Saint Nicholas Mutual Benefit Association.

Mr. BOURASSA: What are the amendments?

Mr. LUCHKOVICH: The first is an amendment (e) in section 4, reading as follows:

To befriend and protect Ukrainian immigrants arriving in Canada, to encourage them to settle permanently on the land and to assist them in doing so, having regard to the fact that Ukrainians belong chiefly to the agricultural class.

Section 5 has been struck out in the Senate and the following has been substituted:

5. Only persons considered by the society to be of Ukrainian origin and who are of the Greek Catholic faith, in communion with the Holy See of Rome, shall be admitted as members of the society. Provided that the society shall, upon the conclusion of any agreement such as provided for in section 17 hereof, admit as members all persons who are then members in good standing of the provincial society as at that time constituted.

These people had a provincially incorporated society and they now seek federal incorporation. Another amendment is to section 11, subsection (1). The original subsection reads:

The society may maintain a general fund, to which shall be credited all dues and other sums intended to be used for the payment of expenses of administration and all expenses of the society shall be payable out of such fund—

To this the following words have been added in the Senate committee:

—including the expenses arising from the exercise of the powers conferred by paragraphs (a), (b), (c), (d), (e) and (f) of section 4 of this act.

Motion agreed to; amendments read the second time and concurred in.

PATENT APPLICATION OF THOMAS BERNARD BOURKE AND GEORGE PERCIVAL SETTER

Mr. A. E. MacLEAN (Prince) (for Mr. Jacobs) moved the second reading of Bill No. 50, respecting a certain patent application of Thomas Bernard Bourke and George Percival Setter.

Mr. GARDINER: Explain.

Mr. DEPUTY SPEAKER: These bills will be referred to the select standing committee on miscellaneous private bills and it will save time if they are allowed to pass the second reading.

Mr. GARDINER: All right.

Motion agreed to and bill read the second time.

PATENT APPLICATION OF HARRY BARRINGTON BONNEY

Mr. A. E. MacLEAN (Prince) (for Mr. Jacobs) moved the second reading of Bill No. 51, respecting a certain patent application of Harry Barrington Bonney.

Mr. WOODSWORTH: If the sponsor is unable to be present, it seems to me somebody ought to represent him here I do not like these bills passing without any explanation being given.

Mr. DEPUTY SPEAKER: If the hon. gentleman objects, we shall have to let it stand.

Hon. FERNAND RINFRET (Secretary of State): A number of bills exactly similar concerning patents come before parliament

every year. The only principle involved in the second reading is that a patent may be revived by legislation, but the bill is going to be referred to the committee on miscellaneous private bills and it can be fully discussed there. Unless my hon. friend presses his objection, I do not think we should oppose the second reading.

Motion agreed to and bill read the second time.

PINE HILL DIVINITY HALL

Mr. C. H. CAHAN (St. Lawrence-St. George) (for Mr. Black, Halifax) moved the second reading of Bill No. 54, to incorporate Pine Hill Divinity Hall.

Mr. SPENCER: May we have some explanation of this?

Mr. CAHAN: Pine Hill Divinity Hall is well known to me, because I was a student at Dalhousie university, when Pine Hill was the divinity hall of the Presbyterian church which cooperated on the secular side of its teaching with Dalhousie university. I have not looked into the merits of the measure, but I know the object of it is to incorporate by Dominion charter this collegiate institution, now of the United church, because its students are collected from all over Canada and it has general interests throughout Canada. The bill will go to the private bills committee. It is very similar to a bill which I introduced a year ago in order to incorporate at Montreal a divinity school which cooperated on the secular side with McGill university. I do not think any principle is involved and the bill might well be allowed to pass its second reading and go to the private bills committee where any parties who may have objection to its terms may be heard.

Motion agreed to and bill read the second time.

NIAGARA RIVER BRIDGE

Hon. R. J. MANION (for Mr. Chaplin) moved the second reading of Bill No. 55, to authorize the Niagara Parks Commission to erect, construct, acquire, maintain and operate a bridge across the Niagara river.

Some hon. MEMBERS: Explain.

Mr. MANION: I have a memorandum which was given to me by the member who is sponsoring this bill, in which he says:

During the sessions of 1928 and 1929 application was made to parliament to incorporate a number of private individuals with power to construct a bridge across the Niagara river at Niagara Falls.

These applications were opposed by the Niagara Falls Parks Commissioners, a public body operating as a department of the government of Ontario.

The ground taken was that a new bridge was not immediately necessary, and that when it became so it should be built by the parks commissioners, and not by a private corporation.

In the session of 1929 the Ontario government passed a bill authorizing the parks commissioners to apply to the parliament of Canada for power to build a bridge at Niagara Falls.

The legislation was passed by the Ontario legislature too late to enable the parks commissioners to apply for Dominion legislation last session. They are doing so now.

When the bill reaches committee full explanation as to its scope and necessity will there be presented by the promoters.

Motion agreed to and bill read the second time.

CONFEDERATION LIFE ASSOCIATION

Mr. A. J. ANDERSON (Toronto-High Park) moved the second reading of Bill No. 57, respecting the Confederation Life Association.

Mr. GARDINER: Explain.

Mr. ANDERSON (High Park): The Confederation Life Association, with head office in Toronto, is one of the old life insurance companies. It was incorporated in 1871. The charter of incorporation contained a clause to the effect that the original capitalization of $500,000 could be increased by by-law of the company to $1,000,000, and a by-law was passed by the shareholders and directors in 1882 raising the capitalization to $1,000,000. Later, Mr. J. K. MacDonald, the founder, president, and manager of the company, between 1882 and 1890, fearing that the management of the company might get out of the hands of those who had been instrumental in founding and developing it, had an amending bill passed in 1890 restricting the amount of stock that could be held by any one person or company. Unfortunately, when that amendment was made to the act, owing to some mistake which we are unable at the present time to explain, a clause was inserted to the effect that the capitalization should not be more than $500,000. The practical effect of this was to rescind or annul the by-law that had been passed by the company's shareholders raising the capitalization from $500,000 to $1,000,000. In the meantime the company had been carrying on, on the strength of the by-law, and stock had been issued and dividends paid. The mistake was not discovered until very recently. Many blocks of the stock of this company have got into the hands of trust companies for the beneficiaries of de-

ceased persons, and on account of the limitation as to the amount of stock that could be held by any one person or company it has been found difficult in some cases to establish proper title to the stock. The bill now before the house is for the purpose of declaring that the act of 1890 did not annul or repeal or otherwise affect the original by-law, and that the capitalization should be, as it is, $1,000,000, and that there should be no restriction on the amount of stock that any shareholder can hold. As I say, it affects particularly trust companies or trustees acting on behalf of beneficiaries, as a result of the devolution of estates of deceased persons, and at the present time a larger amount of stock is, in many instances, coming into the hands of trustees than is permitted by the act. This bill is to remove that limitation. The management of the company is the same as it has always been since its foundation. The company is a very successful one. This bill is purely to rectify an error that crept into the act of 1890, which error has only recently been discovered by the management of the company in connection with the disposal of stock.

Hon. CHARLES A. DUNNING (Minister of Finance): I do not rise for the purpose of opposing the second reading of the bill. As its sponsor has indicated, the matters raised in this bill are somewhat complex in character, and indeed somewhat unique. I approve of the second reading of the bill simply for the purpose of getting it before the banking and commerce committee, where the Superintendent of Insurance may be able to place at the disposal of the members of the committee, and for the benefit of the house, of course, his examination of the facts in relation to this whole matter. Without concurring in any way in what is proposed by the bill, I support the second reading at this time simply for the purpose of giving those who are asking for this legislation an opportunity to go into the matter thoroughly before the banking and commerce committee.

Mr. ANDERSON (High Park): I shall be quite satisfied if the bill is given its second reading now and is referred to the banking and commerce committee.

Motion agreed to and bill read the second time.

ST. CLAIR TRANSIT COMPANY

Mr. R. W. GRAY (West Lambton) moved the second reading of Bill No. 121, respecting the St. Clair Transit Company.

He said: As this is an amendment to a bill that has been adopted by the committee on miscellaneous private bills, to which committee all international bridge bills were referred, might I suggest that after the bill has received its second reading, it be referred to that committee?

Mr. DUNNING: It is not a railway tunnel?

Mr. GRAY: No.

Motion agreed to, bill read the second time, and referred to the select standing committee on miscellaneous private bills.

BUSINESS OF THE HOUSE

Mr. SPEAKER: There are three pages of divorce bills on the order paper standing for their second readings. I understand that there is an amendment to be moved. Is it the pleasure of the house that I shall put one motion to cover all these second readings? If I am not mistaken, the amendment would apply to all the bills. I think it would be just as well to have one motion and one amendment, but, of course, I am in the hands of the house.

Mr. WOODSWORTH: That procedure, Mr. Speaker, would shut out any discussion of individual bills, and some of us have objections to make to particular bills. The amendment touches merely a question of procedure.

Mr. SPEAKER: Very well, if there is not unanimous consent.

HERBERT CHICK

Mr. GEORGE BLACK (Yukon) moved that Bill No. 61, for the relief of Herbert Chick, be now read the second time.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I beg to move the following amendment:

That the word "now" be struck out and that the following words be added at the end of the question: "on the 12th of May, 1930".

This is equivalent to putting off the discussion of this bill for two weeks. If the house would consent to the procedure, it would seem to me to be a good thing to include in this amendment the other bills that immediately follow. I think the reasonableness of the amendment will be conceded by every member. Since almost the beginning of the session we have had a bill before the house for the establishment of a divorce court for the province of Ontario. As all members know, there has been a very full discussion of the bill, and it passed its second reading. The principle was then decided, and it is not usual

for discussion to be continued after the second reading; but that course has been followed in this case, with the result that so far the house has not had an opportunity of finally deciding the question. Now, I take it that we are here not to block measures—and I am not accusing any hon. gentleman of having blocked this bill so far. As we all recognize, under the rules there are only two hours in the week when we can discuss a matter of this kind. Personally, I think we ought to have much more time allowed for public bills, even when they are introduced by private members. However, the rule now is such that, as I say, only two hours a week are permitted us—

Mr. BOURASSA: After private bills.

Mr. WOODSWORTH: As the member for Labelle (Mr. Bourassa) says, that is after private bills are disposed of. This means that if a number of private bills are on the order paper we have no opportunity in those two hours of discussing public bills. To make matters worse, many members from Toronto and Montreal take their homeward flight early on Friday. Hence it is impossible for us to discuss any matter of importance on Friday evenings. I have been willing to concede on one or two Fridays not to press this matter to a vote, as it seemed to me that we ought to have the whole house represented when the final vote was taken. But that means in practice that we are confined to one hour a week for such discussion, and in that one hour we may have a number of private bills preceding public bills.

Now, Mr. Speaker, it seems to me that, entirely apart from what we may think of the principle of Bill No. 20 which has been under discussion, it is not in the interests of good government in this country that a bill of its importance should be held back from week to week until eventually the session may end without its having been finally disposed of. I think some members have not been altogether consistent in their attitude to this divorce question. For example, one hon. gentleman who voted against the establishment of a divorce court in Ontario, and who declared himself very strongly against the principle of divorce and denounced some of us who thought it wise to establish such a court, last session sponsored divorce bills to the number of thirty, and already this session nine such bills stand in his name. As I say, I do not think it is altogether consistent that someone who is opposed to the principle of divorce, and who censures those of us who would establish a divorce court in Ontario, implying thereby that we are in favour of divorce—I say it is not altogether consistent that he himself should have sponsored thirty divorce bills last session; and I have no doubt that number will be exceeded this session.

Mr. BOURASSA: He wants to keep the business here.

Mr. WOODSWORTH: That may be, but I say he is not opposed to the principle of divorce when he sponsors divorce bills. Some of us I think during the whole period we have sat in this house have not been guilty of sponsoring a divorce bill.

An hon. MEMBER: Guilty?

Mr. WOODSWORTH: I am honoured, not in sponsoring a divorce bill, but in sponsoring a bill to establish a proper court where the matter may be dealt with in a proper way. That brings up the whole question for which I have introduced this amendment. If we deal with these bills at this stage before having decided the general principle, it will mean that some of us will be simply compelled to call a vote on bill after bill. I do not believe we are justified any longer in permitting hon. members to say they are opposed to the principle of divorce and then permit divorce bills to be passed without any formal division. If they are opposed to the bill to establish a divorce court in Ontario, surely they ought to be opposed to each and every divorce bill that is brought forward. Without making any threat to the house, I think we shall have to face the situation of considering each bill on its merits and insisting that it be fully discussed and then definitely voted upon.

We all recall that last session when we were in the midst of a matter of this kind the Prime Minister made an important statement. That statement has already been referred to this session, but I should like to quote it again now. He said:

> I would express the hope that by another session, by conference in the interval with members of the house and by other methods, we may find it possible to effect some arrangement which will enable those seeking divorce to secure such redress as should be given them by a means which will commend itself more completely to parliament and avoid a recurrence of a situation such as we have at the moment.
>
> I can only appeal to the common sense of the house in this matter; the government must follow the rules of parliament and the government wish to uphold the rules. It might be possible for the remainder of the present session to allow bills to pass second reading and to go to the committee as has been the case in the past, and for hon. members who wish to raise objections to particular bills, to raise those objections in the committee, it being understood that between now and next session the

members of the government and other hon. members of the house will do what they can towards finding some means of freeing parliament from the necessity of continuing to deal with divorce bills along the lines which we have followed thus for.

This session has gone on for some weeks, Easter has passed, and we are still under the necessity of continuing to deal with these bills in the unsatisfactory way in which we have dealt with them in years past. No suggestion has so far been forthcoming from the Prime Minister which would seem to hold out any hope of satisfactorily dealing with these bills. I think with the bill for the establishment of a divorce court for Ontario before us, the only thing we can do is to ask that these individual divorce bills should stand over for two weeks. That is not asking too much. It seems to me a very reasonable request that these bills stand over for two weeks in the hope that before that time has elapsed we may have a full house decide on the bill for the establishment of a divorce court in Ontario. If the question is definitely voted down by the house or if it is passed by the house we will know how to proceed with individual divorce bills. Since it is a mere matter of procedure I think it would be well if the members would consent that this same resolution should apply to the bills which follow. If that course is not taken I shall have to make a similar motion as each bill is presented.

Mr. BLACK (Yukon): The bill before the house is under my name. I did not read the evidence in connection with the matter until this moment, but on glancing through it I find that it is a perfectly proper case for the granting of divorce. If, as the hon. member for Winnipeg North Centre (Mr. Woodsworth) suggests, each case which comes before the house should be considered on its merits, this case is one in which the house could not fail to grant a petition. The hon. member said that as yet there had been no attempt to hold up the bill for the establishment of a divorce court in the province of Ontario. I agree with the hon. member when he makes that statement. I am in favour of the bill and it is my opinion that it would be well for the hon. member to refrain from his present method of procedure until some attempt has been made to hold up the bill designed to establish a divorce court for Ontario. It will be time enough for him to follow such tactics when obstruction is actually attempted. In the meantime this petitioner has come before the house in the regular way and should not be made the victim of conflict with respect to another bill. I repeat that the hon. member for Winnipeg North Centre should refrain from tactics which savour of obstructing this legislation until it becomes necessary to take that course. The passing of this bill would not jeopardize in the slightest degree the passage of the bill to establish a divorce court in Ontario, and I think the present bill should be allowed to go through in the ordinary course. There would be less work for the house at a later stage in the session and it is my opinion that this is the appropriate time to dispose of this legislation. It is not a proper time, however, for the suggested amendment by the hon. member.

Mr. BOURASSA: I do not think the proposition suggested by the hon. member for Winnipeg North Centre should be described as tactics intended to delay matters. Taking it at its face value I think his action is quite logical. For some weeks past the house has been considering a public bill the object of which is to create jurisdiction in the province of Ontario for the consideration of applications for divorce. If that bill passes, parliament will have no reason to deal with these divorce applications. Most of the members of this house who have supported Bill No. 20, for the establishment of a divorce court in Ontario, have agreed that this is not the proper body to deal with the divorce problem. That statement was made by the Prime Minister (Mr. Mackenzie King) himself, and I agree with him. Therefore, if it is the judgment of parliament that a divorce court should be created in Ontario, it should be the judgment of parliament not to deal with these cases the moment the divorce court is established. If parliament decides, as it has already done on the second reading of the bill, and as was decided in the Senate three years in succession, I cannot see the logic of considering these bills until we have dealt with the public measure. Once the public measure is adopted the gentlemen who have pronounced themselves as being in favour of the establishment of the divorce court in Ontario should be the first to reject any petition from that province which might come before parliament. It seems to me that the position taken by the hon. member for Winnipeg North Centre is absolutely logical, as a consequence of his attitude on the second reading of public bills. If either house decides against the final adoption of Bill No. 20, proposed by the hon. member for Winnipeg North Centre, there might be some reason for proceeding with these bills. They should not be proceeded with holus-bolus and without the exercise of judgment in each particular case, or by the reading of the evidence just before the second reading is moved; they should be considered

with a thorough knowledge of what we are doing. Surely the question of the general principle should be decided before we adopt a measure which is admitted by most of the members to be unsatisfactory. I think it is generally agreed that having regard to the abnormal increase in the number of petitions for divorce the present procedure is absolutely unsatisfactory from every point of view, and it seems to me that the public principle should be decided before we proceed with any private measures.

Mr. BOYS: I do not know whether I have correctly understood the hon. member for Labelle (Mr. Bourassa). I do not think he means that if the bill respecting divorce should pass this house all petitions at present before parliament should not be dealt with in this house, because if the bill were passed there would be a day when it would come into effect, after the disposal of all the bills which have been regularly presented to this house and to the Senate. One cannot imagine that the house would take $210 from every applicant, to say nothing of the other expenses, and leave it at that.

Mr. BOURASSA: It would be a simple matter to remit the money.

Mr. BOYS: That is only one consideration. No doubt the money could be refunded, but what about the money that has been spent for advertising and necessary expenses? In addition one has to consider the counsel fees in connection with procedure before the Senate committee, witness fees, etc. To my mind one has only to mention the proposition in order to see its absurdity. It seems to me that these bills have to be dealt with by the house, and if there is to be a divorce court it would become effective at the close of the session. In view of the statements which we have heard in the house, surely the time has come when the divorce question should be settled once and for all. It cannot be settled, however, if we are to be limited to two hours each week. In view of the statement which the Prime Minister made to the house and which has been read to-day, could he not set apart one day, either two weeks hence or at any other time, when this matter could be quickly and effectively discussed and when the sense of this house could finally be taken upon this question? I do not believe there is an hon. member who will not say that the procedure in connection with divorce in the Dominion of Canada is a farce. It would be fairer to hon. members who desire to see a divorce court established in Ontario if the Prime Minister would set apart a definite date when the matter could be discussed from beginning to end. The discussion should not be interrupted by the calling of another order; the debate should be proceeded with and a vote taken. I am sure everyone who desires a divorce court in Ontario realizes that it is purely a question of procedure. We have divorce at the present time and we will always have it; it is purely a question whether we shall proceed in this farcical way before a committee of the Senate and in this house and thus take up an immense amount of valuable time. I do not wish to say one word against the work of the Senate committee. When I first entered the House of Commons some eighteen years ago, I sat, much to my sorrow, session after session as a member of the subcommittee of the private bills committee to hear these cases, and I can assure hon. members that one or two years' service was sufficient. I sat there long enough however to understand the nature of the consideration which was given to the petitions by that committee, and during my eighteen years' membership in this house I can recall only three cases in which the decision of the committee was reversed by the house. There is no court of appeal in the province of Ontario or in any other province with such a small percentage of reversals. The record of their work is a credit to them, and on behalf of that committee I want to say that they give every consideration to these matters, which is something the members of this house do not do, and I include myself among those members who do not thoroughly attend to this work. We would have to spend hours reading over this evidence if we wanted to do our duty honestly and conscientiously, and everyone who has had anything to do with law knows that a proper conclusion cannot always be reached by the reading of evidence. It is very desirable that the demeanour of witnesses should be observed; in that way conclusions may be reached which could not be arrived at by merely reading the evidence. Therefore I earnestly request the Prime Minister to give us an opportunity to deal with this measure. After all, Ontario and Quebec are the only provinces of Canada without divorce courts. Prince Edward Island has a divorce court, although it is not made use of.

An hon. MEMBER: No.

Mr. BOYS: I understood that province had a divorce court, and as a matter of fact I believe one divorce has been granted by that court during its existence.

Mr. BOURASSA: If the hon. gentleman will allow me, I have studied this question and

I may tell him that in Prince Edward Island they constituted the lieutenant governor in council as a court, but the only divorce granted in that province was passed by this house.

Mr. BOYS: I really do not care very much whether I am right or wrong; the fact is that Ontario really is the province affected by this bill, so I suggest to the Prime Minister in all seriousness that we should face this problem. Surely this house cannot prorogue without something being done in view of his promise last year and in view of what has been done during this session. A vote has been taken which shows that a majority of the members of this house favours a divorce court for Ontario. Now are we not to have a chance to determine this question definitely one way or the other? Let us get it settled and we will abide by the consequences. People are put in a very unfortunate position; they do not know what to do, so I do ask that this opportunity be given.

Right Hon. W. L. MACKENZIE KING (Prime Minister): With respect to my hon. friend's remarks, as I understand it the amendment of the hon. member for Winnipeg North Centre is designed simply to facilitate our reading the public bill which he has before the house without possible delays meanwhile consequent upon long discussions of individual bills which may be before us at the moment. I am inclined to agree that the course suggested by the hon. member is in the matter of procedure the wise one to pursue; dispense for the time being with these measures and at the next appropriate time, which I think is to-morrow night, proceed with the further discussion of the public bill in question. There has been no attempt to block that measure, and I see no reason why, with a reasonable attitude on the part of all, it should not be disposed of to-morrow night.

Mr. BOYS: The Prime Minister must know that in the past efforts have been made to hold up this very question. There is no doubt of that, and there is no question that similar efforts can be and will be made in the future, if we are to have only two hours a week for its discussion. I am not charging anyone in particular with holding up the legislation, but it will occur again unless an opportunity is given the house finally to settle the matter.

Mr. LAPOINTE: My hon. friend suggests that in the past this bill has been held up. That is not the case. Last year a division took place the very first day the second reading was moved, and this year I do not think anyone can say it has been held up.

Mr. BOYS: I will go so far as to say that the bill has been talked out.

Mr. LAPOINTE: No, it was defeated last year the first time it was introduced.

Mr. BOYS: I can only say to the Minister of Justice and the Prime Minister that this question should be brought to some final conclusion. If it is to be finally settled two weeks hence I should be glad to agree to the proposition which has been advanced, but if we cannot be sure of that I must confess that I cannot see any reason why this particular bill should be held up.

Mr. SPEAKER: Is it the pleasure of the house to adopt the amendment?

Amendment agreed to on division.

ALBERT EDWARD SAUNDERS

On the order being called for the second reading of Bill No. 62, for the relief of Albert Edward Saunders:

Mr. SPEAKER: Shall I say "stand" for all these other bills? I wish to facilitate the work of the house and lose as little time as possible. I understood the hon. member to state that if his amendment carried he would move it to every other divorce bill, so we might save time if we make it apply automatically to these other bills and postpone them all until May 12.

Hon. R. B. BENNETT (Leader of the Opposition): I do not think we can dispose of all these bills en bloc. The house has not yet dealt with the important question raised by the hon. member for North Simcoe (Mr. Boys); the observations of the Prime Minister have not touched it. The bill creating a divorce court could not in any event affect these cases, so now the house is merely putting off to a future date what should be done to-day. These bills are here; the evidence has been printed; the hon. members sponsoring the bills have indicated their willingness to accept responsibility for them. The bills should be given second reading and referred to the appropriate committee, which could then consider whether it should call new evidence or accept the evidence taken by the Senate committee. As I say, we are only putting off the evil day until May 12. If the purpose of the hon. gentleman is to ensure that the divorce bill will be considered I can understand his amendment with respect to the first measure, but when it comes to a question of considering what should be done, which is the practical side of this matter, we must remember that even if that bill were passed to-day it would not touch these cases.

Mr. MACKENZIE KING: It might affect procedure as far as the hon. member is concerned.

Mr. BENNETT: It might affect his attitude of mind, because he wants to make sure that the divorce bill will pass and that a divorce court will be in existence another year, but for the present I think every hon. member will agree that we are confronted with many cases which must be considered by this court. After all, whether we like it or not this is the high court of parliament dealing with these cases, and the creation of a divorce court in Ontario is not going to affect our responsibility. These cases are before us; they have come here in the regular manner; petitions have been presented and fees paid, and we must deal with these applications. The creation of a court for the future will be very satisfactory, of course, to those who desire to secure a divorce, but for the present we are dealing with litigants who have presented their applications to the high court of parliament. I think we should pass the second readings of these bills now; the hon. member for Winnipeg North Centre has served his purpose. We should give these measures second reading now if the hon. members sponsoring them are prepared to accept responsibility, because ultimately we will have to do it anyway.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, this resolution to postpone consideration of these bills does not apply to a bill which appears over my name. I have not introduced into this house nor have I had my name attached to more than one divorce bill preceding the one I have mentioned. I am not strongly in favour of divorce under any circumstances, but, as the leader of the opposition (Mr. Bennett) has said, this is the high court of parliament, and every constituent of St. Lawrence-St. George has a constitutional right to appear before parliament by way of petition, and I as the representative of that constituency, which consists of several racial and religious groups, have felt that when a constituent of mine was aggrieved and had a right to apply to parliament for a bill of divorce, it was my duty as the representative of that constituency to see that such bill was brought before parliament and voted upon during its various stages. I may have been wrong in refusing to introduce divorce bills coming from other constituencies as it has been pointed out to me time and time again that owing to the views which prevail in my province, Protestants in other constituencies had the right to appeal to me, I being a Presbyterian and a Protestant. So far I have declined to introduce bills from other constituencies, but I have a bill in this group which appears over my name. The petitioner, a woman, is a resident in my constituency and the facts were clearly proved at great expense before the Senate committee. The enactment of a bill for Ontario does not apply to this case, and it should be heard.

I do not agree altogether with the statements made here to-day that, if a bill for Ontario alone passes this house, is enacted and becomes law, that necessarily applies to the hundred odd petitioners who are now before this court of parliament. Those people have the right of petition to parliament and they have a constitutional and legal right to be heard before the Senate of this parliament. Their cases have been heard and have been pronounced upon, and I fail to see how the constitution of a divorce court in the province of Ontario can have an ex post facto application and annul all proceedings which have hitherto taken place in the Senate and in the House of Commons with regard to these special bills.

I feel that there should not be a general application of the motion of the hon. member for Winnipeg North Centre (Mr. Woodsworth) because it does not apply to cases coming from provinces other than Ontario, and also I am in extreme doubt as to whether it should apply to any of the cases now before parliament, except that the object be to prevent those bills passing as a means of coercing parliament into providing during the present session a divorce court for Ontario.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, I had hoped that the hon. gentleman would have withdrawn his motion as I must confess, as one who has consistently supported the bill to take divorce out of parliament and place it within the courts, I do not think that an objection to these bills, which must be dealt with in any event by parliament, is helping the cause very much. The second reading of these bills would allow them to get before the committee and receive attention during what may be a somewhat protracted debate, and thus allow the work of this house to go forward. That is my principal objection and I agree with the observations made by the hon. member for St. Lawrence-St. George (Mr. Cahan). I do not believe that the bill to regulate divorce will be advanced by holding up these bills.

Mr. SPEAKER: There is nothing before the house. It is moved by Mr. Young (Toronto Northeast), seconded by Mr. Simpson, that Bill No. 62, for the relief of Alfred Edward Saunders be now read a second time.

Mr. WOODSWORTH: I move an amendment as follows:

That the word "now" be struck out and that the following words be added at the end of the question: "on the 12th of May, 1930."

While there may not be anything before the house, I thought that it was understood that the previous motion would apply to all these bills. I recognize that objection has been taken and it will be necessary to move this motion in connection with each particular bill. I appreciate the position taken by the hon. member for St. Lawrence-St. George (Mr. Cahan) that logically this motion would not apply to the cases from the province of Quebec, which cases will have to be dealt with by this parliament and which will not be affected by Bill No. 20. I have not sufficient legal training to know whether the passing of Bill No. 20 would affect the bills from Ontario now on the order paper, but I would hardly think that it would as it would seem to me that those bills will have to be dealt with during this session of parliament. We might however deal with them in an altogether different way than we would should Bill No. 20 be voted down. We are discussing a matter of procedure, but the merits of the cases cannot be separated altogether from that question and the right of this house to divest itself of certain responsibilities which it has had previously to carry. As I said before, this is a very reasonable proposal because I do not think the postponement for two weeks of these bills would very seriously retard the business of the house.

If these bills are brought forward, I for one shall be compelled to ask the sponsors to give an outline of each particular bill. It was necessary to do that last year, partly because we thought it was right that such information should be given to the house and partly in order that we might acquaint the public outside with the farce which was being enacted here. I have no desire to be particularly hard on the hon. member for the Yukon (Mr. Black), but he states that he has only now read the evidence regarding the bill which he is sponsoring. Under those circumstances I do not think he is in a particularly good position to give me the information for which I might ask, and I venture to say that what he has so frankly admitted with regard to himself would be largely true of most of the hon. members who are sponsoring divorce bills in this house. My amendment seems to me to be a reasonable way out of the difficulty. Further I would join with the hon. member for North Simcoe (Mr. Boys) in making a plea to the Prime Minister (Mr. Mackenzie King) that a definite time should be decided upon to consider this matter. This plea has been made without avail in the past, and I recognize with the leader of the opposition (Mr. Bennett) that the evil day is simply being put off, but for two weeks we would have an opportunity to discuss other matters and before that time had elapsed we would have decided the disposition of Bill No. 20. Should this matter not be decided on Tuesday, we shall have to urge that the Prime Minister set aside a day for discussion, because this matter cannot be allowed to go on indefinitely. So far as the plea made by the hon. Minister of the Interior (Mr. Stewart) is concerned, I would say that my amendment seems to be one way of expediting the business of the house.

Mr. STEWART (Edmonton): If the bill is passed, will that make any difference in the attitude of my hon. friend toward all these bills?

Mr. WOODSWORTH: I want to be perfectly frank. I think it will.

Mr. STEWART (Edmonton): That is a frame of mind I cannot understand.

Mr. WOODSWORTH: I think it will, because if we decide to set up a divorce court for Ontario where these bills can be dealt with in a judicial way, I for one am not going to be such a stickler on matters of procedure as to insist upon a vote being taken on every measure as it passes the house. The house has already decided the principle and if the minority of the house should proceed on the tactics that they would refuse to give us an opportunity of deciding a measure that is of importance to the country, I for one do not hesitate to say that so far as it lies within my power, I shall endeavour to insist upon the house taking a roll-call vote in each case. If we do so, I would say to the Minister of the Interior that we shall be here for a good many weeks, because we shall have to take a roll-call vote in every one of 300 bills. We have a perfect right to call for such a roll-call vote and if the house should by any mischance refuse to set up a divorce court for the province of Ontario I think we would be justified in having every member of the house put himself on record in regard to each bill so that the house and the country may know where each stands on this matter.

For this reason I think the easiest course is to set this and other bills aside for two weeks. No interest is at stake; nobody's petition is being jeopardized; the matter will not be de-

layed in any way. After two weeks, when the main principle is settled, we can then proceed to deal with the particular bills as they come before us.

Amendment (Mr. Woodsworth) agreed to.

MARJORIE GLADYS PICKEN

Mr. W. F. GARLAND (Carleton) moved that Bill No. 63, for the relief of Marjorie Gladys Picken, be now read the second time.

Mr. WOODSWORTH: I move in amendment:

That the word "now" be struck out and that the following words be added at the end of the question: "on the 12th of May, 1930".

Amendment agreed to.

RAYMOND GARBUTT LITTLE

Mr. W. F. GARLAND (Carleton) moved that Bill No. 65, for the relief of Raymond Garbutt Little, be now read the second time.

Mr. WOODSWORTH: I move in amendment:

That the word "now" be struck out and that the following words be added at the end of the question: "on the 12th of May, 1930".

Amendment agreed to.

FLORENCE ISABEL NAUGHTON

Mr. T. H. STINSON (Victoria, Ont.) moved that Bill No. 67, for the relief of Florence Isabel Naughton, be now read the second time.

Mr. WOODSWORTH: I move in amendment:

That the word "now" be struck out and that the following words be added at the end of the question: "on the 12th of May, 1930".

Amendment agreed to.

LUCY BERYL MARSHALL

Mr. GEORGE BLACK (Yukon) moved that Bill No. 68, for the relief of Lucy Beryl Marshall, be now read the second time.

He said: The hon. member for Winnipeg North Centre in his remarks in regard to Bill No. 61 suggested that my statement that I had just read over the evidence might be interpreted to mean that I had not been able to form an opinion. The evidence in that case, as in the one now before the house, is very short, and it takes nothing more than a glance to convince one that it is a proper case for granting a divorce. The proceedings before the Senate committee have undoubtedly been properly taken. The necessary evidence to entitle the petitioner to a divorce has been adduced before the committee and the case has been proved. It seems to me that the case under Bill No. 68, like that under the former Bill No. 61, is one that the house should now deal with.

I do not think the efforts of the hon. member for Winnipeg North Centre to-day will have the desired effect because he is now attempting to coerce the house, to hold up its business. There has never been a more flagrant exhibition of holding up the house than that which the hon. member has given us this afternoon. I do not think it will have the effect he wants it to have. I am entirely in sympathy with the public bill for the establishment of a divorce court for Ontario, but such tactics as these will not help the bill; if anything, they will incite in those who are opposed a determination to adopt just the tactics the hon. gentleman is now indulging in. If he wants his bill passed he would be better advised to allow the legislation that is on the order paper to take its proper and natural course and go through. He is not thereby lessening in any way the chances of the bill to establish a divorce court for Ontario to go through; in fact he is increasing those chances and is more likely to get support. No amendment such as he has moved to the former bills should be moved to the one now before the house.

If, as the hon. member suggests, members who have these bills in their names are going to be called upon to explain the details, that can be done. I understood him to say he would call upon every member to express an opinion. Fortunately he cannot make every member express an opinion. Members may remain silent or may express an opinion, as they choose. Doubtless my hon. friend will express an opinion because, fortunately or unfortunately, he seems to have an opinion on every conceivable subject that comes up. No doubt his opinion will be heard on every divorce bill and on every other bill that comes before the house this session. If in this particular case he wants the edifying details, they are here to be read by every member, and they may very easily be detailed to the house. The case is one in which the man deliberately left his wife and went to live with another woman as his wife without having obtained a divorce. The proof was ample and uncontroverted. If ever there was a case in which this high court of parliament, as it has been called, should act, it is this one. These petitioners who have come to parliament, within their rights, appealing to this court, should not be subjected to such tactics as

have been indulged in with regard to previous divorce bills. I suggest that in this particular case the conditions which the hon. member for Winnipeg North Centre suggests should be imposed have been fulfilled. I have given him and the house the details. I have not read them word for word, but I have briefly stated exactly what the case is as set out in the petition, and the nature of the evidence that has been adduced; and the proof is ample and uncontroverted. As the conditions my hon. friend suggests have been met, why not proceed with the granting of this divorce in the regular way?

Mr. J. L. BROWN (Lisgar): I am entirely in sympathy with the bill that was introduced last year and again this year by the hon. member for Winnipeg North Centre (Mr. Woodsworth) for the establishment of a divorce court in Ontario, and I would like very much to see it pass. I join with those who urge that a full opportunity should be given to this house to pass upon the merits of that measure.

I cannot say, however, that I am in sympathy with the course that has been pursued by the hon. member for Winnipeg North Centre in regard to these divorce bills. There is some indication, of course, that his bill No. 20, has been deliberately held up or talked out. I do not want to make the charge that that has been done, but there is at least some indication of that nature. I think it would be well for the hon. member to allow us to have at least another hour to-morrow night in which to discuss the merits of his measure without at this time assuming that it is being held up. The hon. member has admitted that he is taking the course he is now taking in order to coerce this house into a certain course.

Mr. WOODSWORTH: No.

Mr. BROWN: It means nothing else than that. He has also stated that his attitude towards these divorce bills will depend very largely upon the attitude of the house in regard to Bill No. 20. I was very strongly in favour of the passing of his bill last year, yet I was compelled to dissent from the attitude taken by the hon. member for Winnipeg North Centre following its rejection last session. Parliament acted perfectly within its rights in rejecting his bill, and I did not see any particular reason for departing from the regular method of granting divorces by this parliament simply because parliament saw fit to exercise its rights with regard to that particular measure. Parliament at this session has very clearly indicated that it is in favour of the passing of that measure, and I think it would be becoming at this juncture if the hon. member would cease the tactics that he is now following and allow these divorce bills to be dealt with as they have been in the past; and if the time should come when there is further or fuller indication that Bill No. 20 is being deliberately held up or talked out, that situation can be dealt with when it arises. In the meantime I heartily join with those who have already urged that an opportunity should be given to this house to discuss that measure on its merits and decide it one way or the other. But it never entered my mind for one moment that the passing of Bill No. 20 at this session would in any way interfere with the ordinary procedure followed in the case of the divorce bills that are now before the house. I understood that for this session we would be compelled to deal with them under any circumstances just as we have dealt with them in the past.

Mr. WOODSWORTH: Mr. Speaker—

Mr. SPEAKER: The hon. gentleman has already spoken.

Mr. WOODSWORTH: Not on this bill.

Mr. SPEAKER: The hon. gentleman has moved an amendment.

Mr. WOODSWORTH: Not to this bill.

Mr. SPEAKER: I must accept the hon. gentleman's word, but the amendment has been repeated so many times that I thought it had been made in connection with this bill.

Mr. WOODSWORTH: I want to make sure, Mr. Speaker, that it is moved. I move that the word "now" be struck out and that the following words be added at the end of the question: "on the twelfth of May, 1930."

May I say that there has been no suggestion whatever of coercing the house in this matter? I expressly stated that I made no charge that Bill No. 20 had been held up. May I refer the hon. member for Yukon (Mr. Black), to the remarks made a few minutes ago by his colleague the hon. member for North Simcoe (Mr. Boys), who suggested that it was next to impossible for a man who had not heard the evidence to judge its weight, and so the hon. member for the Yukon, even as a lawyer, is hardly in a position, having cursorily read the evidence, to assure the house that the case is distinctly proven, and some of us as laymen do not feel ourselves altogether in a position to accept his assurance given under such conditions.

May I say that the prolongation of this part of the procedure is not my fault? I suggested that the one motion should be applied to all these bills, in which case the whole matter would have been disposed of in two or three minutes, and an amendment in connection with each bill would not have been necessary. However, objection was raised by some hon. members to that procedure, and so I am compelled on the second reading of each bill to move an amendment. I am not holding up the house. It is those who objected to the procedure that I suggested who are holding up the house.

The house divided on the amendment(Mr. Woodsworth) which was agreed to on the following division:

YEAS

Messrs:

Adshead,
Bancroft,
Beaubien,
Benoit,
Bertrand,
Bettez,
Bird,
Bock,
Boulanger,
Bourassa,
Bourgeois,
Bradette,
Cahill,
Campbell,
Chevrier,
Crerar,
Denis,
Desaulniers,
Descoteaux,
Dunning,
Dussault,
Evans,
Fafard,
Fansher (Last Mountain),
Fiset (Sir Eugène),
Gardiner,
Garland (Bow River),
Gershaw,
Glen,
Gray,
Johnston (Long Lake),
King, Mackenzie (Prince Albert),
Lacombe,
Laflamme,
Lapierre,
Lapointe,
Lucas,
MacLean (Prince),
Macphail (Miss),
Marcil,
Neill,
Perley (Sir George),
Perras,
Pouliot,
Ralston,
Rinfret,
St-Père,
Speakman,
Spencer,
Telford,
Thorson,
Totzke,
Venoit,
Woodsworth.—54.

NAYS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Arthurs,
Barber,
Bennett,
Black (Yukon),
Black (Halifax),
Boys,
Brown,
Cahan,
Charters,
Cotnam.
Duff,
Esling,
Garland (Carleton),
Grimmer,
Ilsley,
Jenkins,
Lawson,
Lovie,
MacLaren,
McLean (Melfort),
MacNutt,
McGregor.
Plunkett.
Rowe.
Ryckman,
Simpson,
Smoke,
Stewart (Edmonton West),
Stewart (Leeds),
Stirling,
White (London).—33.

Mr. CARDIN: I was paired with the hon. member for Pictou (Mr. Cantley), otherwise I would have voted for the amendment.

Mr. PETTIT: I was paired with the hon. member for Kamouraska (Mr. Bouchard). Had I voted I would have voted against the amendment.

Mr. YOUNG (Saskatoon): I was paired with the hon. member for Muskoka-Ontario (Mr. McGibbon). Had I voted I would have voted for the amendment.

Mr. McPHEE: I was paired with the hon. member for Kings (Mr. Macdonald). Had I voted I would have voted against the amendment.

Mr. VALLANCE: I was paired with the hon. member for Vancouver-Burrard (Mr. Clark). Had I voted I would have voted for the amendment.

KATHLEEN MARY DAVIES

Mr. J. T. THORSON (Winnipeg South Centre) moved that Bill No. 76, for the relief of Kathleen Mary Davies, be now read the second time.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, first of all I should like to find out whether this case is outside the province of Ontario. After I spoke on the last bill I understood from some hon. gentleman that the case brought forward by the hon. member for Yukon (Mr. Black) was outside this province. Had I been aware of it at the time I would not have insisted on my amendment. If this case is outside Ontario I do not press my amendment.

Mr. THORSON: The petition shows that the petitioner resided in the city of Montreal.

Mr. WOODSWORTH: Then I would move the following amendment, Mr. Speaker:

That the word "now" be struck out and that the following words be added: "on the 12th of May, 1930".

An hon. MEMBER: Montreal is not in Ontario.

Mr. WOODSWORTH: When I used the expression "outside of Ontario", I was thinking of the case coming from Manitoba, the province from which my hon. friend comes. If it comes from Quebec I withdraw my amendment.

Mr. SPEAKER: The hon. gentleman withdraws his amendment.

Some hon. MEMBERS: No, no.

Mr. SPEAKER: Dropped.

Some hon. MEMBERS: No.

Amendment agreed to on division.

ALBERT DAVIS BLAGRAVE

Mr. MURRAY MacLAREN (St. John-Albert) moved that Bill No. 91, for the relief of Albert Davis Blagrave, be now read the second time.

Mr. WOODSWORTH: I will move my amendment to this bill.

Mr. MacLAREN: Notwithstanding the remarks of my friend from Winnipeg North Centre a few minutes ago, he now takes exception to my motion for the second reading of the bill. The applicant is a resident of Montreal.

Mr. WOODSWORTH: I will withdraw it.

Mr. SPEAKER: Mr. Woodsworth moves, seconded by Mr. Evans, that the word "now" be struck out and that the following words be added: "on the 12th of May, 1930."

Mr. MacLAREN: Mr. Speaker, I do not know whether you heard the request by the hon. member for Winnipeg North Centre for the withdrawal of the amendment.

Mr. BOURASSA: It is in the hands of the house.

Mr. SPEAKER: Does the hon. member wish to withdraw the amendment?

Mr. WOODSWORTH: Yes. Since it is in the province of Quebec I will withdraw it.

Mr. SPEAKER: It can be withdrawn only by consent of the house. Is it the pleasure of the house that the hon. gentleman shall have leave to withdraw the amendment?

Some hon. MEMBERS: No.

The house divided on the amendment (Mr. Woodsworth) which was negatived on the following division:

YEAS

Messrs:

Beaubien,	Gershaw,
Benoit,	Gray,
Bertrand,	Lacombe,
Bettez,	Laflamme,
Bock,	Lapierre,
Boulanger,	Lapointe,
Bourassa,	MacLean (Prince),
Cahill,	Macphail (Miss),
Cardin,	Marcil,
Crerar,	Perras,
Denis,	Pouliot,
Desaulniers,	Rinfret,
Descoteaux,	St-Père,
Dussault,	Telford,
Evans,	Totzke,
Fafard,	Veniot.—33.
Fiset (Sir Eugène),	

[Mr. Speaker.]

NAYS

Messrs:

Adshead,	Ilsley,
Anderson (Toronto-High Park),	Jenkins,
Anderson (Halton),	King, Mackenzie (Prince Albert),
Bancroft,	Lawson,
Barber,	Lovie,
Bennett,	MacLaren,
Black (Yukon),	McLean (Melfort),
Black (Halifax),	MacNutt,
Boys,	Murphy,
Brown,	Robinson,
Cahan,	Ryckman,
Campbell,	Simpson,
Cantley,	Sinclair (Queens),
Charters,	Smoke,
Cotnam,	Spence,
Duff,	Spencer,
Fansher (Last Mountain),	Stewart (Edmonton West),
Fraser,	Stewart (Leeds),
Gardiner,	Stirling,
Garland (Bow River),	White (London),
Garland (Carleton),	Woodsworth.—43.
Grimmer,	

Main motion (Mr. MacLaren) agreed to and bill read the second time.

GEORGE COLLIER DRAPER

Mr. J. T. THORSON (Winnipeg South Centre) moved the second reading of Bill No. 99, for the relief of George Collier Draper.

Motion agreed to on division and bill read the second time.

MARY RITCHIE

Mr. C. H. CAHAN (St. Lawrence-St. George) moved the second reading of Bill No. 112, for the relief of Mary Ritchie.

Motion agreed to on division and bill read the second time.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

BUSINESS OF THE HOUSE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before we conclude with private bills, I beg to move:

That whereas private bills could not be presented to the house between Friday, 11th of April, 1930, and Monday, 28th April, 1930, owing to the adjournment of the house during that period,

Resolved, that the fines of $100 and $200 respectively, for late presentation of private bills, as per paragraphs (b) and (c) of standing order, 93, (3), be not chargeable until after Friday, the 2nd May, 1930, and Friday, 30th May, 1930, respectively.

This motion is occasioned only by the Easter vacation.

Motion agreed to.

ROYAL CANADIAN MOUNTED POLICE

PROVISION FOR READJUSTMENT OF PENSIONS

Hon. ERNEST LAPOINTE (Minister of Justice) moved that the house go into committee to-morrow to consider the following proposed resolution:

That it is expedient to provide for the readjustment in accordance with the terms of the Royal Canadian Mounted Police Act of the pensions of officers and constables of the Royal Canadian Mounted Police who were retired to pension prior to 31st March, 1924, and who were in receipt of extra pay during the whole or part of the period from 15th May, 1919, to 30th May, 1924; and to readjust the pensions of widows of officers who had received the extra pay as aforesaid.

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.

JUDGES ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved that the house go into committee to-morrow to consider the following proposed resolution:

That it is expedient to amend the Judges Act to provide that an annuity equal to his salary at the time he ceased or ceases to hold office may be granted to a judge of the Supreme Court of Canada or of the exchequer court of Canada who held office on 31st March, 1927, and continued or continues in office until he attained or attains 75 years of age; and that an annuity equal to two-thirds of the salary annexed to the office which such judge holds at the time he so ceases to be a judge may be granted to a judge of the said courts, appointed after 31st March, 1927, attaining 75 years of age after service of 10 years, or aggregate service of 10 years in that office and as judge of a provincial superior court.

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.

CANADIAN NATIONAL RAILWAYS

RETIREMENT OF CENTRAL VERMONT REFUNDING MORTGAGE BONDS

Right Hon. W. L. MACKENZIE KING (Prime Minister)): In the absence of the Minister of Railways and Canals (Mr. Crerar), I beg to move that the house go into committee to-morrow to consider the following proposed resolution:

That it is expedient to bring in a measure respecting the Canadian National Railway Company to provide for the issue of new securities by the company, guaranteed by the Dominion, not exceeding $8,609,000, the aggregate face value of the original securities, to repay temporary loans negotiated by the company as successors by amalgamation to the Grand Trunk Railway Company of Canada for the purpose of retiring the five per cent ten-year refunding mortgage gold bonds of the Central Vermont Railway Company, dated May 1, 1920, amounting to $8,609,000.

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.

FAIR WAGES AND HOURS

Hon. PETER HEENAN (Minister of Labour) moved the third reading of Bill No. 49, respecting fair wages and an eight hour day for labour employed on public works of the Dominion of Canada.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, perhaps this bill might stand until the next sitting. I have in connection with the matter a communication that may necessitate my making a few observations. The bill might stand until to-morrow.

Mr. MACKENZIE KING: That is all right.

Mr. HEENAN: At the last sitting of the house the hon. member for Argenteuil (Sir George Perley) asked that the third reading stand over. I have other duties to perform and I am sitting here waiting to get this bill through before I leave the city on a very important engagement. The bill has been discussed on its second reading and in committee and unless there is some real reason why the bill should stand, I would like my hon. friend to let it have its third reading.

Mr. BENNETT: If the minister says the bill must pass, that is the end of it; he has the majority.

Mr. HEENAN: I did not say that. I was not insisting. I was simply saying that unless there is some very good reason for postponement, I should like the bill to pass.

Mr. BENNETT: Go on with the bill.

Mr. SPEAKER: Stand.

Mr. BENNETT: Go on with the bill so far as I am concerned, Mr. Speaker.

Motion stands.

NATURAL RESOURCES

AGREEMENT WITH MANITOBA

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of Bill No. 18, respecting the transfer of the natural resources of Manitoba.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion? Carried.

Mr. C. H. CAHAN (St. Lawrence-St. George): The second reading has not passed, Mr. Speaker?

Mr. SPEAKER: Yes. Did not the hon. gentleman hear?

Mr. CAHAN: I did not hear, and I was listening. I understood that the hon. Minister of the Interior (Mr. Stewart) was going to explain this bill. If he does not, I will undertake to explain it myself.

Mr. STEWART (Edmonton): While the explanation on the introduction of the bill was not very extended, a brief outline of its main provisions was given, and I thought that by now the house had possibly had time to digest the bill thoroughly. I have no idea of the nature of any objections that my hon. friend might have to take to the bill. The federal government and the provincial government have come to an agreement as to the transfer of the natural resources. The provincial government have passed their legislation, and it remains for us to pass legislation here. The main provisions of the bill have to do with the setting up of the necessary machinery for the administration of the lands and natural resources which will be transferred from the federal to the provincial jurisdiction. Outside of the provision for the payment of a fixed sum of money and the continuation of the subsidies, I do not think there are any sections of the bill that will require much discussion.

Mr. CAHAN: Mr. Speaker, the bill of which the second reading has been moved is one of three bills relating to the prairie provinces, and it seems to me that these bills are of such prime importance that a clear statement might well have been expected from the Minister of the Interior with regard to their subject matter.

I quite appreciate the fact that the Conservative party, under the leadership of Sir Robert Borden as Prime Minister, committed itself to the transfer of the so-called natural resources of the prairie provinces. I understand that the actual carrying out of the transfer was delayed by the war coming on suddenly in 1914 and extending to 1918, and by the vast amount of public business which came before parliament in the years of reconstruction.

To my mind, the importance of this legislation largely centres around the fact that it is conveying to the province of Manitoba, in this case, and to the provinces of Alberta and Saskatchewan in the bills dealing with those provinces, the school lands and the school lands funds which were set aside as a quasi-trust at the introduction and enactment of the first Dominion Lands Act. Apart from that, I make no special opposition to the bill.

I remember in earlier days that it was recognized by both parties in this house, under the leadership first of Alexander Mackenzie, assisted by Mr. Blake, and again when the question came up under the leadership of Sir John A. Macdonald, that these public lands in what was then the Northwest Territories had been vested in the crown in the right of the Dominion government. I remember something of the discussion of those days to this effect, that those crown lands so-called in the Northwest Territories would require for their development for agricutural and industrial purposes such a large investment of public funds as could only be supplied by the federal treasury of Canada. It is no new thought, but I had always expected that there would sooner or later be in the government of this country a department which might well have been called a department of industrial development and which would have devoted itself wholly, if not exclusively, to measures for the development of Canada as a whole. Such a development could be carried out only by a department of government with the entire resources of the federal treasury behind it.

I recognize that both parties are committed at this stage to the transfer of these lands to the respective governments concerned. Sometimes I wonder whether, if I could return at a later stage to this terrestrial sphere, I would find that that development had increased as it should by coming under the disposition and control of the several provincial governments, because to my way of looking at it they are undertaking vast duties and responsibilities towards the people of their several provinces and towards the people of the whole country which can be carried out to full fruition only by large appropriations from the federal treasury.

Leaving that aside, this bill proposes to vest in the crown in the right of the province of Manitoba those school lands and school land

funds which have been accumulating ever since the first Dominion Lands Act was passed by the government, I think, of Alexander Mackenzie. In fact it was Mr. Blake, if my memory is correct, who drafted those first provisions with regard to the accumulation of the school lands fund and the setting aside of lands then unappropriated for the purpose of increasing the principal of that fund to provide for all time revenues for school purposes in the Northwest Territories or in the provinces which subsequently might be carved out of those territories.

The school lands fund as at present accumulated and the school lands which are unappropriated are very extensive indeed. I have taken the trouble to examine into the matter, and if I may be allowed to refer to these schedules it will enable me to illustrate my point more clearly. I find that the land areas of Manitoba, Saskatchewan and Alberta, as of January 1, 1929, was:

	Acres
Land area of Manitoba	148,432,640
Land area of Saskatchewan	155,764,480
Land area of Alberta	161,872,000
Total acres	466,069,120

Of the surveyed tract, so-called, that is of that portion of these 466,069,120 acres which has been surveyed to date, exclusive of land covered by water, I find the acreage to be:

	Acres
Manitoba	37,376,098
Saskatchewan	79,153,099
Alberta	85,640,866
Total	202,070,063

So that there is of land not water-covered, now unsurveyed, in those three provinces, 263,099,057 acres.

Now, of these 264,000,000 acres unsurveyed, when finally surveyed, one-eighteenth of the area as surveyed in sections must, according to the present law, be set aside as a school land endowment; that is, approximately 14,666,000 acres of school lands remain unsurveyed. In addition to that I find that of the surveyed lands of Canada the acreage on March 31, 1929, set aside as a school land endowment, and the acreage at present undisposed of, are as follows:

	Surveyed area	Acres disposed of	Acres unsold
Manitoba	1,637,800	633,932	1,003,868
Saskatchewan	3,944,400	1,771,554	2,172,846
Alberta	3,760,500	1,222,613	2,537,887
Totals	9,342,700	3,628,099	5,714,601

That is, there are now 5,714,601 acres of surveyed lands included in the school land endowment which remain undisposed of, and in addition approximately 14,666,000 acres of the school land endowment not yet surveyed, and not likely to be disposed of for many years to come.

Now, as these lands were sold under the provisions of the Dominion Lands Act the proceeds were set aside as a fund held by the federal government, the interest on which was to be paid, and was paid in fact, to the several governments in respect of the areas sold within the territories thus settled, and such proceeds have been accumulated to date as a school lands endowment fund. I find the balances standing to the credit of the school lands fund of each province as on March 31, 1929, for the fiscal year ending on that date, were as follows:

Province	Total amount at credit of fund	Amount invested in debenture stock
Manitoba	$ 5,888,709 88	$ 5,880,800
Saskatchewan	16,646,177 08	16,645,004
Alberta	9,124,536 28	9,124,000
	$31,659,423 24	$31,649,800

When I look into the amounts which were paid to these three several provinces for the year ending March 31, 1929, I find that certain interest was paid, and that in addition certain revenues from leases and royalties and grazing rights in respect of these school lands were received from year to year and also paid over annually to these provinces, with the result that for the year ending March 31, 1929, the three provinces received the following:

	Interest Paid	Net Revenue Paid	Total Paid
Manitoba	$ 293,412.50	$ 20,776.24	$ 314,188.74
Saskatchewan	788,150.00	352,330.08	1,140,480.08
Alberta	423,687.50	331,527.82	755,215.32
Total	$1,505,250.00	$704,634.14	$2,219,884.14

The figure $2,219,884.14 represents the total amount paid last year by the Dominion government as the interest upon the accumulated school lands fund and the revenue from school lands. The agreement with Manitoba, as in the case of the agreements with Alberta and Saskatchewan respectively, provides for the transfer to the several governments of the principal sum of $31,650,000. That sum is now invested in Dominion bonds or debentures upon which they receive only the interest. In addition this agreement provides for the transfer outright to the several governments of all the lands held by the crown in the right of the Dominion government according as they are located within the bounds of these respective provinces. So that in addition to the sum of $31,650,000, we are proposing at

the present time to transfer to these provinces 5,714,601 acres of school lands at present surveyed, and 14,666,000 acres of school lands which at the present time remain unsurveyed. This represents an enormous sum of money and involves a very great area of land. The question arises whether that fund, which has always been regarded throughout the several provinces of Canada—and especially in the province which I have the honour to represent—as a quasi-trust for the support of schools in those respective provinces for all time to come, shall hereafter be maintained. Under the legislation as it now stands only the annual revenue may be appropriated by the provincial legislature for educational purposes.

Various opinions have been expressed as to the safeguards which are necessary in order to ensure that this fund may be permanently invested as it accumulates from year to year. At the convention of the Conservative party held at Winnipeg a resolution was passed approving of the transfer of the natural resources to these three provinces but insisting that there should be provision for the maintenance and administration of the school lands and school land funds for educational purposes according to the laws of the respective provinces and also in compliance with the letter and spirit of the constitution. That resolution was approved in turn by this House of Commons at a recent session. The point I wish to emphasize is that I believe it was the intention of this house to provide for the maintenance and administration of those school lands and school land funds for all future time and thus to secure to these several provinces a school endownment which would be of great value for the present when they are in receipt of the large annual income of $2,220,000, and which would, if allowed to accumulate, amount in a few years to a principal sum of many millions of dollars.

When I look at this Manitoba agreement I state frankly that I think it is unfair to the house that before the agreement was executed it was not submitted to parliament, so that we in good faith could have considered whether the terms of the agreement conserve the school lands fund in the present and in the future as intended by parliament. My complaint is that instead of the government taking this house into its confidence and submitting the agreement for approval before it was executed, they have gone so far as to execute this agreement and to induce—is that too strong a term?—to induce the legislature of Manitoba to ratify the agreement by legislation, and to induce the legislatures of Alberta and Saskatchewan to ratify the agreement in like manner. All three legislatures have now been adjourned before this matter has been brought up for our consideration.

The House of Commons is placed in the position that it cannot demand that the agreement be amended in certain essential particulars in order to carry out the clear intention of this house without taking the position of being entirely opposed to the transfer of these resources to the several provinces as intended. To understand the principle of this statute one must look beneath the surface and consider the terms of the agreement itself. I find that the first section of this Manitoba agreement, as in the case of the Saskatchewan and Alberta agreements, purports to transfer to the province all the crown lands within that province. There can be no doubt that the transfer proposed by the first section of the agreement includes all the school lands within the province which are undisposed of at the date of the sanction of this agreement. Then, the declared intention of this first paragraph is that the province may be in the same position as the original provinces of confederation by virtue of section 109 of the British North America Act, 1867. Let me read section 109 of that act in order that the intention may be clear:

> All lands, mines, minerals, and royalties belonging to the several provinces of Canada, Nova Scotia, and New Brunswick at the union, and all sums then due or payable for such lands, mines, minerals, or royalties, shall belong to the several provinces of Ontario, Quebec, Nova Scotia, and New Brunswick in which the same are situate or arise, subject to any trust existing in respect thereof, and to any interest other than that of the province in the same.

Therefore the intention is clear to transfer all these lands to the province; it is expressly provided that the lands so transferred shall belong to the province, but it adds, "subject to any trusts existing in respect thereof." I presume the Minister of Justice will contend that those words, which are taken from section 109 which I have read, are intended to refer to the nature and conditions of the so-called trust which is exercised by the Dominion government in respect of the school lands endowment funds now held by that government and in respect of the school lands now vested in the crown in the right of that government.

I have considered this matter carefully, and it is my opinion, for what it is worth—and I can see no other interpretation or construction which can be placed upon the words—that these school lands which are being transferred certainly are not a trust or a trust estate within the meaning of that section. I think that is so clear that I need not argue it. It is further provided in this agreement that:

The said lands, mines, minerals and royalties shall be administered by the province for the purposes thereof, subject, until the legislature otherwise provides, to the provisions of any act of parliament of Canada relative to such administration.

That clause undoubtedly provides that, upon the transfer of these lands being made, each of these three legislatures may pass legislative enactments repealing and amending the provisions of any act of the parliament of Canada relative to the administration of these lands. That is a very, very broad provision. It is a major provision of the agreement, and it seems to me that the subsequent clauses of the agreement may be well interpreted or construed by any court in the future subject to that provision, because the legislature of the province is thereby empowered to amend or repeal any act of the parliament of Canada relating to such lands.

Then the sixth paragraph of the agreement provides for the transfer to the provinces of existing school land funds. The first paragraph provides for the transfer of all the lands, and the sixth paragraph provides in addition for the transfer to the province of the existing school land funds. This applies to each of the provinces, but at the moment I am dealing with Manitoba. Then the seventh paragraph, let it be noted, relates solely to the administration of the school land funds, not for the future, not for all time to come, but as at present accumulated and invested, and to school lands which have not yet been disposed of. I contend that no provision is made therein for the administration of the proceeds of school lands which may be sold hereafter. This seventh paragraph provides that the school land funds as now accumulated, which are to be transferred to the province by the sixth paragraph, and the unappropriated school lands shall be set aside and shall continue to be administered by the province in accordance, mutatis mutandis, with the provisions of sections 37 to 40 of the Dominion Lands Act.

When I look at those words "in accordance with the provisions of sections 37 to 40 of the Dominion Lands Act" I think it is perfectly clear by any accepted canon of construction that they imply that section 40 of the Dominion Lands Act is not included and does not apply. In fact, so convinced am I that this is the proper interpretation that I am persuaded in my own mind that it was never the intention of the draftsman of that agreement that section 40 should apply to the school lands or the school land funds. I think it is clear that the word "to" has not a settled legal meaning, but by the English courts it is uniformly construed as a word of exclusion, unless by necessary implication it must be held to be used in the inclusive sense in order to effectuate fully the clearly indicated intentions of the parties to the agreement. In this case it is clear that there is no such necessary implication. You will find in construing statutes that there is in the interpretation act of many English statutes a provision to the effect that the citation of sections 1 to 3, for example, shall be deemed to include sections 1 and 3, but so far I have been able to find there is no such interpretation act which applies to statutes of Canada or to agreements which have been confirmed by the parliament of Canada. There is no such necessary implication that this word "to" is used in an inclusive sense.

The use of the final words in the seventh paragraph reading "for the support of schools organized and carried on therein in accordance with the law of the province" clearly indicates to my mind that it was the intention of the draftsman, or of the parties who signed that agreement, to exclude section 40 of the Dominion Lands Act, which in terms provides that the interest arising from the school funds shall be paid towards the support of schools organized and carried on in accordance with the law of the province. If it was the intention that the whole of section 40 should apply, the agreement certainly would not have quoted a material part of that section and left unquoted the remainder. Let us look at section 40, which provides for the maintenance in the future of that fund. Section 40 of the Dominion Lands Act, being chapter 113 of the revised statutes of Canada, reads as follows:

All moneys from time to time realized from the sale of school lands shall be invested in securities of Canada to form a school fund, and the interest arising therefrom, after deducting the cost of management, shall be paid annually to the government of the province within which such lands are situate, towards the support of schools organized and carried on in accordance with the law of such province;

If it had been the intention of the parties to include section 40, that section would have been named specifically. If it had been the intention of the parties to include section 40, they would never have quoted only a part of that section without in express terms making the rest of that section applicable.

Paragraph seven of the agreement clearly indicates to my mind an intention to exclude all the provisions of section 40 from application to these Dominion lands and the Dominion lands fund. I notice that the hon. gentleman smiles, but I venture to say that if he looks

carefully into this he will find that section 40 is the only section which provides, first, that moneys realized from the sale of school lands shall be invested in securities to form a school fund; second, that the interest arising from those securities shall be paid annually to the province; and, third, that this annual interest shall be applied for the support of schools, etc. In other words, if section 40 is not included in the terms of this agreement, and it seems to me probable if not inevitable that the courts of this country will hereafter declare that section 40 is not included, then there is no provision in this Manitoba agreement, there is no provision in the Alberta agreement, nor is there any provision in the Saskatchewan agreement, for the permanent maintenance of the principal sum of the school land fund, and for its further increase and accumulation in the future as other school lands are sold. There is no provision that the moneys realized in the future from the sale of school lands will hereafter form part of the principal fund, the interest only on which shall be used for school purposes. There is no provision in the agreement that the principal sum shall be maintained intact and that only the interest thereon shall be appropriated by the respective legislatures from year to year for the maintenance and support of schools.

I venture the opinion that each of those three governments has placed on this agreement the interpretation which I am now giving to it before this house. I venture the opinion that none of those governments through their responsible attorneys general could be induced to express openly an opinion which is not in accord with the contention I am making. If it is the intention, as hon. gentlemen on the other side seem to suggest by their smiles, to include section 40, then why not say so? Paragraph seven of the agreement reads in part as follows:

> —mutatis mutandis, with the provisions of sections thirty-seven to forty of the Dominion Lands Act. . . . .

It would be very simple to say, "sections 37, 38, 39 and 40," or it would be very simple to say, "sections 37 to 40 inclusive." Such language is used every day in drafting agreements; it is used every few months in drafting laws, and the use of such language would enable the draftsman to express clearly the intention that sections 37, 38, 39 and 40 shall apply.

I should have preferred that either one of the Alberta or the Saskatchewan agreements, both of which contain somewhat different clauses, had been introduced first in order that I might have discussed the whole matter at one time. However, I shall reserve the right, when either the Alberta or Saskatchewan agreement is presented, to make a few additional observations.

I say to the hon. Minister of Justice (Mr. Lapointe) that he is the special guardian of the traditional rights and interests of the people with respect to the school fund of the Northwest Territories and of the provinces which were created out of those territories, and it was his special duty and responsibility as Minister of Justice to see that this agreement was drawn so as to express the meaning and intention which this parliament desires to be expressed. I think that he has neglected his duty in that respect because he has left an opening for future litigation which may destroy the entire framework of this fund as well as render useless its effectiveness as a permanent fund, the interest on which shall be used for all time in the future to maintain schools in these respective provinces.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, it is always rather disagreeable to me to be criticized by the hon. member for St. Lawrence-St. George (Mr. Cahan), but in this instance, if his criticism has had the effect of putting me in a different light from that indicated by some of his friends in other parts of the country as would appear from different newspaper reports, then a good purpose has been served.

The hon. gentleman commenced his remarks by saying that he and his party were committed to the principle of this bill transferring the natural resources to the western provinces. With this I heartily agree. But he also said that when the war broke out, preparations had already been made to give effect to the pledges which had been made, and that the outbreak of war was the reason why the matter was not carried out by the friends of my hon. friend. The war has been made responsible for many things, but I have yet to learn that it was responsible for the postponement of the settlement of this very important question. In point of fact I think I could not quote a better authority than the former Prime Minister of this country, Mr. Meighen. During the last session of Parliament over which he presided as Prime Minister, that is, during the session of 1921, a motion with respect to the matter having been presented to parliament by the hon. member for Nelson, Manitoba, the then Prime Minister gave the reasons why this question had not been settled. Mr. Meighen may have had imperfections, but he had the merit of frankness and boldness in the statements he made and he did not hide himself behind a

wall in giving the reason why no solution of the question had been reached. I have his speech under my hand, and I commend to hon. members a perusal of it. They will find it in Hansard, of 1921, at page 2541 and subsequent pages. I will quote only a couple of sentences. In this speech the then leader of the Conservative party admitted, confessed, utter failure with regard to this question. He said that it was almost insoluble. As reported on page 2545 he made this statement:

It becomes a matter with respect to which it is impossible to arrive at anything like an accounting on a trustee basis at all. Consequently I have argued—and I have argued very recently with the prime ministers of these provinces—that we do not get any further by trying to establish and admit the principle that the lands originally should have been transferred. We do not get any further by setting up that trustee principle—as "a great white flame" if we only keep our eye on it will settle this matter on the eternal basis of right—you do not get any further by that method. You may get further by one way, and one way only, by presenting some concrete proposal in figures that will appeal to a fair-minded man as a square, bald, rough but honourable solution.

He was then asked by Mr. Reid, representing the constituency of Mackenzie:

In 1911 Sir Robert Borden the prospective premier, promised us that if he was returned to power he would give to the western provinces their natural resources. Have the difficulties of doing that multiplied very much since then?

Mr. Meighen: Was the government, which the hon. gentleman supported, the government in power at that time, ready to take those resources unless it got the subsidies as well? Sir Robert Borden did not say he would give the provinces the subsidies as well as the resources; and the provinces have never agreed to take the resources unless they keep the subsidies as well.

But I wish to quote the concluding sentence of that speech. Mr. Meighen said:

You might settle it by arbitration, but I do not think that outsiders coming in to arbitrate could do as well as the heads of the governments themselves. You could not settle it in the courts, because there is no principle to go on. I would be only too glad if this was a question of law, then it could easily be relegated to the courts and there decided—a solution devoutly to be wished.

Mr. Crerar: Why not send it to the exchequer court?

Mr. Meighen: The exchequer court is a court of law, and it would have to decide the question on principles of law. If it were such a question it would not be very long troubling the government; that is where it would be, but it is not such a question. Nor does it seem to me that we could get very far by arbitration. You would have to arrive at mutual concessions, and you would have to have some principles which the board of arbitration could follow to decide what portion of any special class of expenditure was attributable to the fact that the Dominion retained the resources; and to get an accounting on anything like a fiduciary basis seems to me a task beyond the capacity of the human mind. At best it can only be got at in a rough way, and can never be reached until both sides approach the matter in a fair and conciliatory spirit.

It is an achivement that we are able to present to parliament to-day three agreements with three western provinces solving this question which was stated by the Prime Minister in 1921 as being impossible or almost impossible of solution. It is a great step in advance in this country, especially at a time when, in spite of temporary difficulties which may have arisen, we are on the eve of a tremendous development of our resources. It is a great achievement that the decks should be cleared for action and that those difficult questions which have been rather an impediment to progress in this country should have been solved as they will be when these agreements shall have been put into effect by the legislation of parliament and subsequent enactments.

My hon. friend has devoted the whole of his remarks to the matter of the school lands and the school lands fund. I agree with him that this is an important matter, and that it was always contemplated that these lands set aside for purposes of education should be considered as an endowment and a trust and should be preserved by the various governments which will have to deal with the question. It was in 1872, after the acquisition by the Dominion of the Northwest Territories, that the first statute concerning Dominion public lands was enacted, namely, chapter 23 of 35 Victoria. In that act section 22 created that educational endowment, sections 11 and 29 in every surveyed township being set apart for purposes of education in the territories. In 1879 chapter 31 of 42 Victoria, placed under the Minister of the Interior the administration of school lands and school funds derived from the sale of such lands. Those statutes have been consolidated at various times and they form part of the present Dominion Lands Act, being sections 37, 38, 39 and 40, as has been mentioned by my hon. friend.

Mr. BENNETT: Those sections were amended in 1908?

Mr. LAPOINTE: Yes. As was pointed out by various statesmen on many occasions, and more particularly by Sir John A. Macdonald in 1883—and I am quoting his words:

The Dominion government is merely the trustee for these lands and cannot divert them in any way whatever from the purpose of school endowment.

In 1884, when the province of Manitoba made application to be given back the lands, it was specifically stated in the order in council passed by the then government of Sir John A. Macdonald that when the return of the lands would be considered, provision would be made to preserve this school endowment. I am glad that this meets with the views of my friend from St. Lawrence-St. George. I may tell him that it is what this government had in mind, as well as the government of the western province in the execution of this agreement.

My hon. friend complains that the agreement was not submitted to this house before being signed. But the agreement was the result of a conference between the government of Canada and the government of Manitoba, an agreement which was reached only after many interviews, conversations and negotiations; and like all other agreements it was signed subject to ratification by parliament. Surely that is the democratic way of proceeding. It would be utterly impossible to adopt any other method. May I remind my hon. friend that the governments of Manitoba, Alberta and Saskatchewan, which rather boast of their democracy, also signed these agreements before submitting them to their respective legislatures, and I have not seen that anybody has been criticized on that account.

My hon. friend says that we have induced the provinces of Manitoba, Alberta and Saskatchewan to accept these agreements. Well, I do not know, but I do not think the present government would find my hon. friend's friends in Saskatchewan so very easy to seduce. We have come to an agreement in good faith with the various provincial governments subject to the usual ratification by our own parliament and by the respective provincial legislatures concerned.

My hon. friend also says that it is now too iate. He complains because the legislatures of the provinces have prorogued, and says that to delay now would postpone a solution for another year. May I say that the government would have been prepared to proceed with this legislation before the Easter holidays? As a matter of fact, consideration of this bill has been postponed, once at the request of my hon. friend from Argenteuil (Sir George Perley) because the leader of the opposition (Mr. Bennett) was going to be absent the following day, and again at the request of the leader of the opposition himself because of the absence of my hon. friend from St. Lawrence-St. George. So we cannot very well be blamed for having delayed the introduction of this measure.

[Mr. Lapointe.]

Now I come to the main contention of my hon. friend. I do not yield to him in my desire to make sure that the school lands and the school lands fund shall be maintained as an endownment for educational purposes. My hon. friend says that the language of section 7 of the agreement does not include section 40. May I first read section 7 of the agreement ? It says:

> The school land fund to be transferred to the province as aforesaid, and such of the school lands specified in section thirty-seven of the Dominion Lands Act, being chapter one hundred and thirteen of the revised statutes of Canada, 1927, as pass to the administration of the province under the terms hereof, shall be set aside and shall continue to be administered by the province in accordance, mutatis mutandis, with the provisions of sections thirty-seven to forty of the Dominion Lands Act, for the support of schools organized and carried on therein in accordance with the law of the province.

My hon. friend says that the intention was to exclude section 40. May I tell him that the intention was, and is to include section 40? That was the intention of the parties to the agreement, and section 40 is certainly included in the language of section 7.

Mr. BENNETT: Why was not the word "inclusive" put in after the word "forty," as is usual in agreements of that kind?

Mr. LAPOINTE: I do not know. I did not draft the agreement myself, but those who drafted it are absolutely convinced that the language covers the objection of my hon. friend. That is also my own view. It is the view of the Department of Justice, of the deputy minister and of the officers of the department. It is the view of the Solicitor General. It is even the view of somebody else that I shall surprise my hon. friend by mentioning in a moment or two.

Mr. CAHAN: Do not prolong the suspense.

Mr. LAPOINTE: It will be all the more interesting to my hon. friend; the surprise will be the greater.

If hon. gentlemen will look at the Dominion Lands Act, they will see that sections 37, 38, 39 and 40 are in a separate group by themselves, with a separate title, school lands. Section 37 deals merely with the lands. Section 38 also deals merely with the lands. Section 37 designates the school lands and sets them apart as an endowment for purposes of education, subject to the special provisions contained therein. Section 38 regulates the sale and leasing of school lands. Section 39 regulates the terms of payment in respect of sales of school

lands. There is no question of the fund at all in any one of those three sections. Sections 37, 38 and 39 deal with the school lands. Section 40 regulates the investment, application and distribution of all moneys realized from the sale of school lands.

Mr. CAHAN: And the whole question centres around whether section 40 is included or not.

Mr. LAPOINTE: Exactly, and I think I shall be able to convince even my hon. friend that section 40 is included. Section 40 says:

All moneys from time to time realized from the sale of school lands shall be invested in securities of Canada to form a school fund, and the interest arising therefrom, after deducting the cost of management, shall be paid annually to the government of the province within which such lands are situate, towards the support of schools or organized and carried on in accordance with the law of such province; and the moneys so paid shall be distributed for that purpose by the said government in such manner as it deems expedient.

I repeat, sections 37, 38 and 39 do not refer at all to the fund, to the moneys raised by the sale of the lands; only section 40 deals with the school lands fund, its administration, its management, the use it is being put to. So when paragraph 7 of the agreement says:

The school lands fund to be transferred to the province as aforesaid and such of the school lands specified in section thirty-seven of the Dominion Lands Act, being chapter one hundred and thirteen of the revised statutes of Canada, 1927, as pass to the administration of the province under the terms hereof, shall be set aside and shall continue to be administered by the province in accordance, mutatis mutandis, with the provisions of sections thirty-seven to forty of the Dominion Lands Act, for the support of schools organized and carried on therein in accordance with the law of the provinces.

—it is more than obvious that section 40 is included, because it has the effect of providing for the administration of the fund which will continue to be administered by the province in accordance with those sections, and it is the only section which deals with the administration of the fund.

Mr. CAHAN: Quite so.

Mr. LAPOINTE: How can my hon. friend say that the whole section does not make it clear that section 40 is included, because it deals with the administration, with the management, and is the only section that deals with it in the school lands group of the sections of the Dominion Lands Act?

Mr. CAHAN: I wish I had a moment to explain the matter. I may have an opportunity later.

Mr. LAPOINTE: My hon. friend will certainly have his opportunity. May I say that the words "to" "from" "up to" "until" and similar words might be—and this is absolutely according to the authorities, and I have quite a number that I should be pleased to quote to my hon. friend—might be either inclusive or exclusive according to the intention, which intention is to be discovered from the context and by applying the ordinary rules of interpretation; and one of the main rules of interpretation is that the intention must be found so that the context does not lead to something which is absurd. This would be absurd there, because we speak of the administration, we say that the fund will be set aside and continue to be administered according to sections 37 to 40—obviously in order to be set aside and to be administered you must include section 40, for it is the only one that deals with administration and management.

Mr. CAHAN: Will my hon. friend allow me a question? I do not wish to ask it if he thinks it will put him out. Paragraph 7 is not correctly quoted by the hon. gentleman. It says:

The school lands fund to be transferred to the province—

That refers to an existing fund. Then it refers to:

—such of the school lands—

And so on.

—as pass to the administration of the province under the terms hereof, shall be set aside and shall continue to be administered by the province.

Mr. LAPOINTE: That is what I said.

Mr. CAHAN: How long? Until under the previous section they pass provincial acts amending the Dominion legislation to which the hon. gentleman refers.

Mr. LAPOINTE: Never. I am glad my hon. friend is bringing that forward because he referred to paragraph 1 as the basis of his contention. He said that the words:

—and the said lands, mines, minerals and royalties shall be administered by the province for the purposes thereof, subject, until the legislature of the province otherwise provides, to the provisions of any act of the parliament of Canada relating to such administration.

And he claimed that this would authorize the legislature to pass legislation which would do away with what is provided for by paragraph 7 of the agreement.

Mr. CAHAN: Just one moment and I will not interrupt again.

Mr. LAPOINTE: It is rather difficult—

Mr. CAHAN: I know it is, but I think in order that the hon. gentleman may make his arguments clear I should be allowed to call this to his attention. Section one says:

Shall be administered by the province for the purposes thereof, subject, until the legislature of the province otherwise provides, to the provisions of any act of the parliament of Canada relating to such administration.

There it is subject only to any existing act of the parliament relating to such administration until the legislature otherwise provides.

Mr. LAPOINTE: Exactly. This refers to lands in general, and my hon. friend may see the title—

Mr. CAHAN: We do not construe titles.

Mr. LAPOINTE: Will my hon. friend keep his peace for a minute and give me a chance?

Mr. CAHAN: It is difficult listening to such a ludicrous statement.

Mr. LAPOINTE: My hon. friend is usually sure of his ground, but he is usually wrong. I am sorry to have to say that because of our friendly relations.

Mr. CAHAN: Anything the hon. gentleman says I regard as friendly.

Mr. LAPOINTE: My hon. friend always interrupts when I am speaking. I am sorry to have to make the request, but I would be much obliged if he would give me the advantage of proceeding with my argument.

Mr. CAHAN: I asked the privilege of calling attention to a mistake the hon. gentleman was making.

Mr. LAPOINTE: Will my hon. friend allow me to proceed?

Mr. CAHAN: I simply called attention to a mistake the hon. gentleman was making.

Mr. LAPOINTE: Will my hon. friend keep on calling my attention to what he considers mistakes?

Mr. CAHAN: Not necessarily. I trust the hon. gentleman has intelligence enough to understand my point.

Mr. LAPOINTE: My hon. friend is always referring to the intelligence of others. I acknowledge that he has a great intellect; I admire it, but he might be kind enough to concede to those who differ with him some little particle of intelligence. That concession will not take away any of his intellect at all; it will rather enlarge it. Paragraph 1 refers to the lands in general and my hon. friend may notice the words:

[Mr. Lapointe.]

and subject as therein otherwise provided—

—which certainly puts a different light on what he said. All this is subject to what is in the agreement "otherwise provided"; and paragraph 7 surely otherwise provides. Paragraphs 6 and 7, as well as paragraphs 2, 3 and 5, are exceptions to paragraph 1, and it is specially stated in paragraph 1 that that section is "subject as therein otherwise provided". I have not the slightest doubt that the clauses referring to the school lands and the school lands fund stand by themselves in this agreement and do not at all come under section 1 as my hon. friend has stated.

Mr. EVANS: Will the hon. gentleman admit a question there?

Some hon. MEMBERS: Order.

Mr. EVANS: Paragraph 7 says:

The school lands fund to be transferred to the province.

But the school lands are only to be administered by the province. Are they not to be transferred as well as the fund?

Mr. LAPOINTE: Yes, they are to be transferred as well as the fund.

Mr. EVANS: Why are those words used in the fourth line: "pass to the administration of"? Why is not the word "transferred" used?

Mr. LAPOINTE: Well, the word "pass" is just as good as the word "transfer". This language is accepted by both parties to the agreement, but I assure my hon. friend that both the lands and the fund are transferred and pass to the administration of the province.

May I say with regard to the objection of my hon. friend that a critical examination of sections 37 to 40 of the Dominion Lands Act proves the following facts in reference to the relation of section 40 of the Dominion Lands Act to the school londs fund and its administration: First, that section 40 is the only one of the four sections which provides for the creation and administration of the school lands fund, which is the subject principally dealt with by clause 7; second, that it is the only section in which the fund is directed to be applied towards the support of schools carried on in accordance with the law of such province. This is substantially the language employed in clause 7. I have said that there are many authorities with regard to the use of the words "to," "from," "until" and "up to" as being either inclusive or exclusive according to the context and the intention as it appears in the documents. In this connection may I quote an authority from western Can-

ada? I refer to the case of Quail vs. Beatty (1913) which is found in 24 Western Law Reports at page 22. In that case the decision is closely applicable to the question of construction now under consideration. The question was whether an agreement for the sale and purchase of land in which the land was described as "lots 1 to 4" embraced lot 4. Mr. Justice Walsh after considering the decisions held that lot 4 as well as lots 1, 2 and 3 was covered by the agreement. In support of his contention the learned judge stated at page 244:

> In all of these cases it is held that under a description of land as extending from one point to another both of these points are excluded.

He further states:

> These descriptions all differ however from the one in hand. They are descriptive of land lying between two certain points the nearest parts of which to the land in question are properly taken as its boundaries. If the description here had been "from lot 1 to 4" it might have been successfully contended that neither of these lots but only the intervening lots 2 and 3 passed for the form might have been used to describe the land lying between the nearest points to each other of lots 1 and 4. The words here used however are descriptive of the lots themselves and it must be taken, I think, that each of the lots thus mentioned is included in the agreement.

This is exactly the same circumstance as we have in the present instance. Sections 37 to 40 are descriptive of the sections which apply and all of them are certainly included, more particularly in view of the fact that the one which my hon. friend says seems to be excluded is the one which deals exclusively with the school lands fund. My hon. friend almost issued a challenge when he said that it was the intention of the parties to the agreement to exclude section 40. He said that we could not induce any one of the parties to the agreement, apart from ourselves, to say that the intention is to include section 40. I am very glad my hon. friend raised the point, as I have a surprise I wish to spring on him. We are at the present time dealing with the Manitoba agreement, and when I learned that someone harboured a doubt as to whether section 40 was included I asked the province of Manitoba whether they had so construed section 7 of the agreement. I have in my hand a telegram sent to me by the Attorney General for Manitoba. My hon. friend took the trouble to say that no attorney general of the provinces concerned could be induced to say that he considered section 40 as included. I wish to read the following telegram:

Winnipeg, Man., March 19, 1930.

Hon. Ernest Lapointe, K.C.,
Minister of Justice,
Ottawa, Ont.

It is our understanding that clause 7 of natural resources agreement as it stands covers all four sections, both 37 and 40 of the Dominion Lands Act.

W. J. Major,
Attorney General for Manitoba.

Although I am always hesitant to align my own opinion against that of my hon. friend the member for St. Lawrence-St. George, my views in this respect are shared by the legal gentleman who drafted the agreement, Colonel Biggar, as a representative of the Department of the Interior in these negotiations; they are shared by the Deputy Minister of Justice and by the officers of the Department of Justice; they are shared by my hon. friend the Solicitor General, who has no doubt in the matter, and they are shared by the Attorney General for the province of Manitoba. With all humility I say that I have no fear in the discharge of my duties, and although my hon. friend dealt harshly with me in his concluding remarks I have no doubt that section 40 is included as well as the other sections.

Mr. CAHAN: Will the hon. gentleman allow a question?

Mr. LAPOINTE: Yes.

Mr. CAHAN: When this telegram was sent by the Attorney General for Manitoba why did the hon. gentleman not reply? Why not use the word "inclusive?"

Mr. LAPOINTE: There is no doubt that if the agreements had not been signed and ratified at that time by some of the legislatures that would have been easy. However as there is no doubt in our minds as to the meaning of the section I do not think it would be advisable to reopen the whole question for the purpose of putting in that word.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Laflamme in the chair.

Section 1 agreed to.

On section 2—Agreement confirmed.

Mr. CAHAN: I simply wish to refer to this matter a little more in detail. I do not find the statement of the Minister of Justice convincing, and I am sure this matter will come before the courts. I regret very much that he did not personally superintend the drafting of the agreement. I remember when the previous agreement came up two years ago I directed the hon. gentleman's attention

to the interpretation I then placed upon the word "to" in that connection, and when a new agreement was being drafted I should have thought that it might have been made clear. I am quite sure that if my hon. friend had retained the direction of the drafting of the agreement he would have placed in the clause words which would clearly indicate that section 40 of the Dominion Lands Act was included, but he will see the following in the schedule to this agreement:

> And whereas by an order in council adopted upon a report from the Right Honourable W. L. Mackenzie King, Prime Minister of Canada, and approved by His Excellency the Governor General on the first day of August, 1928, it was provided, pursuant to an agreement in that behalf entered into with representatives of the government of the province that the province would be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources—

That is the foundation of the whole agreement, namely that the province of Manitoba shall be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources. Then the agreement provides in terms for the transfer of all those natural resources without limitation, in so far as they have been unappropriated up to the present time. Then section 1 says:

> —the said lands, mines, minerals and royalties shall be administered by the province for the purposes thereof, subject, until the legislature of the province otherwise provides, to the provisions of any act of the parliament of Canada relating to such administration—

My contention is that this is a clear provision that the legislature may hereafter amend or repeal any act of the parliament of Canada with respect to the administration of these lands or relating thereto.

My third contention, in brief, is that section 6 simply provides for the transfer to the province of the money or securities constituting that portion of the school lands fund which is derived from the sale or other disposition of any school lands within the province, and so on. That constitutes a transfer of the school lands fund in so far as it is at present accumulated and, as far as section 6 is concerned, without any limitation or condition whatsoever being placed upon the use or disposition of this fund. Then we come to section 7, which provides:

> The school lands fund to be transferred to the province as aforesaid and such of the school lands specified in section thirty-seven of the Dominion Lands Act, being chapter one hundred and thirteen of the Revised Statutes of Canada, 1927, as pass to the administration of the province under the terms hereof, shall be set aside and shall continue to be administered by the province in accordance, mutatis mutandis, with the provisions of sections thirty-seven to forty of the Dominion Lands Act, for the support of schools organized and carried on therein in accordance with the law of the province.

My contention with respect to that section is that the provision that this fund is to be administered applies only to the fund as at present accumulated, and to the administration of the lands which are now being transferred in accordance with certain sections of the Dominion Lands Act, only so long as those provisions of the Dominion Lands Act are not repealed by the legislature, which is empowered in a previous section of the act to repeal them. I submit further that the use in section 7 of the words, "for the support of schools organized and carried on therein in accordance with the law of the province" is a quotation of the express words of section 40 of the Dominion Lands Act, and that by incorporating in this agreement certain words of section 40, the application of the other words of that section is excluded.

Having pointed out these facts as being my clear opinion in a matter of such great importance to many people throughout this country and of such peculiar importance to my own people in the province of Quebec, the Minister of Justice must take the full responsibility with regard to the interpretation of that agreement.

Mr. LAPOINTE: I do.

Mr. BENNETT: Is it intended to discuss the sections of the agreement at all? The schedule to the act is the agreement. Is it intended in committee of the whole to discuss the sections of that agreement?

Mr. STEWART (Edmonton): Yes, certainly.

Section agreed to.

The CHAIRMAN: Is it the desire of the committee that the schedule should be discussed paragraph by paragraph?

Some hon. MEMBERS: Carried.

On the schedule—paragraph 1 agreed to.

On the schedule—paragraph 2.

Mr. BENNETT: The minister will remember that many of the contracts for the lease of property between the crown in right of the Dominion and lessees throughout the country refer to regulations. Was it the purpose in framing section 2 to make certain that the regulations which are incorporated in such

documents shall continue to be binding as part of the contracts between the crown and the lessees?

Mr. STEWART (Edmonton): I think my hon. friend will agree that the wording covers that point.

Mr. BENNETT: That is what I am very doubtful about.

Mr. STEWART (Edmonton): The paragraph reads:

—every contract to purchase or lease any crown lands, mines or minerals and every other arrangement whereby any person has become entitled to any interest therein as against the crown—

Mr. BENNETT: I appreciate the terms of that paragraph but a few days ago my attention was directed to this matter by a letter which I received from a lessee, I think it was one of the numerous oil companies operating in Alberta. I was asked the question whether or not it was abundantly clear under the provisions of the agreement that the regulations of the Department of the Interior, approved by the governor in council, which are incorporated in some of these leases would remain as governing regulations during the lifetime of the lease. I am unable to give a definite answer to that question. The regulations issued by the Department of the Interior and approved by the governor in council, and which are made a part of some of the leases, are very far reaching; but if the effect of paragraph 2 is to continue those regulations as conditions governing the relations between lessor and lessee then there would be no difficulty. If, on the other hand, the regulations are subject to change it might well be that an entirely new contract could be set up by the provincial governments in connection with outstanding leases. My answer would have been that the language of the paragraph is broad enough to cover the case, but when I was west the other day—perhaps I should discuss this matter in the Alberta case—one of the smaller companies referred to the fact that certain changes had been recommended in the regulations and that the provincial government had agreed to adopt such suggested changes. Obviously the effect of that would be to render paragraph 2 of doubtful value. I was only able to say in a general way that my understanding was that the purpose of the agreement and of the legislation was to ensure that whatever contractual rights might be enjoyed by any party in any contract outstanding with the crown at the date of the transfer would be respected in their entirety. I think that was the intention, but I believe that the Solicitor General will agree that there is something in the suggestion that if some of the regulations are incorporated in a lease there is nothing in that paragraph which makes it certain that such regulations cannot be changed, in which event you might have a contract subject to regulation passed by the provincial authorities which would be in variance with those already existing.

Mr. STEWART (Edmonton): That matter was discussed with the provincial representatives, and all the provisions of the agreement will have to be honoured by the province. There is one exception in favour of the crown, namely, that they reserve the right to make general changes in royalties from time to time. We could not ask the province to accept that provision when it appeared in all leases, and during the life of such documents they will be subject to such regulations as were in effect when the document was executed. It is only such changes as I have mentioned that would apply.

Mr. BENNETT: I am afraid the hon. minister has not grasped my point.

Mr. CANNON: Any privileges which are now enjoyed are to be continued, with two exceptions; that any changes which may be made are to be by agreement and by general legislation. Regulations passed by the provincial government which would affect these contracts would have to be regulations passed under general legislation.

Mr. BENNETT: The hon. Solicitor General and the Minister of the Interior are quite clear as to the last four lines of the paragraph, which read:

—or, in so far as any legislation may apply generally to all similar agreements relating to lands, mines or minerals in the province or to interests therein irrespective of who may be the parties thereto.

Even the consideration of the phrase "except either with the consent of all the parties thereto other than Canada" does not answer the question as put to me. I was curious to know whether or not the matter had been considered, because my own mind is very uncertain about it. Take the question of royalties as mentioned by the minister. I apprehend that the right to increase royalties is derived from the latter part of the paragraph, that portion which relates to legislation of a general character. An agreement to make the term of a lease ten years instead of five would be an illustration of the first point covered by the paragraph, and the matter of royalties would be an illustration of the second point.

The question of royalties might vitally affect the whole condition of the terms of a contract, and I was a little doubtful as to whether or not that is the only power which would authorize an increase in royalties.

Mr. CANNON: It would have to be a general increase.

Mr. BENNETT: I realize that. Suppose there is a grazing lease outstanding on which the rental is five cents an acre; would it be competent for the province to make that rental ten cents an acre as of January, 1931?

Mr. CANNON: If it was changed by general legislation.

Mr. BENNETT: Is that quite fair in view of the preceding part of the paragraph, which reads:

> The province will carry out in accordance with the terms thereof every contract to purchase or lease any crown lands, mines or minerals.

Mr. CANNON: The Dominion would have the right to do that, and if the province is substituted in our rights, they would be exercising a right which we have already. The lessees would be in no worse a condition.

Mr. BENNETT: My hon. friend has not quite grasped the point which I have in mind. It would not be competent for the Dominion to increase the rental on a lease from five to ten cents an acre without granting compensation.

Mr. CANNON: It would be federal legislation.

Mr. BENNETT: It could not be done by a federal order in council.

Mr. CANNON: My hon. friend is perfectly right in saying that, but suppose we passed general legislation giving us authority to do so, then we could do that.

Mr. BENNETT: Not without compensation.

Mr. CANNON: If general legislation was passed by the province, then the province exercising its right under that legislation could change certain aspects of the leases.

Mr. BENNETT: Not without the payment of compensation.

Mr. CANNON: Oh, yes, by general legislation.

Mr. BENNETT: When the crown by general legislation takes away a right, it must be presumed to pay for it. The privy council said so about 1870 in the Windsor-Annapolis railway case. I also had the question before the exchequer court in the case of the estate of the late Maunsell against the crown where under the Irrigation Act lands were taken away, the statute being a general one, and it was claimed there was no compensation to be paid, but the court decided otherwise.

Mr. STEWART (Edmonton): My hon. friend's difficulty in this respect will be overcome. I am not so sure about the exact provisions of the grazing leases in regard to which he raises a question, but I am clear as to the reservation in connection with oil leases and mining leases in cases where royalties are collected. We have that right if we so desire; that is, the lessee leaves himself subject to changes if they are of a general character. I am not clear whether or not that is embodied in the grazing leases, although I am inclined to think it is—that is, in regard to specifying a term of years at so much per acre.

Mr. BENNETT: I take it in a case of that kind in any event it was intended section 2 should safeguard the interest of the lessee who had a lease for a definite term at a fixed rental.

Mr. STEWART (Edmonton): There would be no question about that. I merely want to make it clear that all the rights the provinces get in the way of any changes are the rights now enjoyed by the federal government. That is all we are transferring to the provinces in that respect; otherwise every provision of a contract will have to be carried out in its entirety by the province.

Mr. BENNETT: That was my understanding.

Paragraph agreed to.

Paragraphs 3 and 6 inclusive agreed to.

On paragraph 7.

Mr. BENNETT: I confess I have been unable to understand why in the preparation of this document about which it is well known that difficulties may arise, the word "inclusive" was not added after the word "forty." At one time I was very actively engaged in the preparation of documents and I certainly would not prepare such a document without the insertion of the word "inclusive." What the Attorney General may say has no effect upon the construction of a document, as my hon. friend knows, and the general principle is that stated by the hon. member for St. Lawrence-St. George. The opinion of Mr. Justice Walsh, that is the opinion of a single trial judge, was that the sale of lots one to

four includes four, but I could give cases in which numerals from one to a number designated did not include the last. In Great Britain there is a section of the Interpretation Act dealing with the matter, which fortunately or unfortunately we do not have in this country. I only mention that it is difficult to understand why, when there was a possibility of trouble and where the use of one word would cure it all, that one word was not used.

Mr. LAPOINTE: There is no doubt that if these agreements had not all been signed and even given ratification by legislatures, it would have been an easy matter to insert the word "inclusive," but I have no doubt that the word is really included in the meaning of the section.

Paragraph agreed to.

On paragraph 8.

Mr. BENNETT: Perhaps what I have to say in connection with water might be better said in connection with one of the other agreements, because I think the question of water and water-powers is left in a very uncertain position. The use of half a dozen words would have cured the trouble. The Irrigation Act of Canada provides that all waters in the Northwest Territories are the property of the crown; that is, in Alberta and Saskatchewan the property in the water itself is in the crown. Under the autonomy acts of Alberta and Saskatchewan the crown in the case of water was defined to be the crown in right of the Dominion and not of the provinces. I had a very personal knowledge of that, because at that time I was actively engaged in irrigation work with the Canadian Pacific, and I assisted to the best of my ability in making certain that the section of the autonomy acts clearly provided, as perhaps the minister will recall, that the water should be held by the crown in right of the Dominion. Under those circumstances is it clear that the waters in Saskatchewan and Alberta—I am not talking about Manitoba for the moment—will belong to the crown in right of the provinces without any further action being taken? I am leaving the question for the moment and I trust the minister will look into it, because frankly I am certainly very doubtful whether or not the waters and water-powers in Saskatchewan and Alberta have been transferred to the provinces under the agreements.

Mr. CHURCH: I would like to find out from the Minister of the Interior what the policy of the government is regarding the water powers of Manitoba. So far as this clause goes, it seems to give away property rights enjoyed by the prairie provinces. We know what the policy of the government is, because last session, after a debate of several days, they surrendered water powers to private owners. I am surprised that some of my Progressive friends who stand for public ownership of the water powers of this country do not rise and protest. Just last Friday the Governor of New York state came out clearly for expropriation of the water powers of that state to preserve them for the people for all time.

Nobody knows to-day the vast wealth in water powers of the prairie provinces Last year there was a debate in the house for several days in an endeavour to do something as a legislature to preserve for the people the water powers of the great prairie provinces. The question of water powers has been made a football by the present government. Nobody knows where they stand on the question in regard to not only Manitoba but Ontario. They have been afraid to face the music and to do something for the people of Ontario regarding the St. Lawrence waterway. They have shelved that problem, which is one purely of navigation, by handing out these deals to various corporations in Ontario and Quebec. I am surprised that we are going to make the mistake to-night of passing this clause. The fact that the government of Manitoba agrees to this is no reason why it should be the law and the clause may be taken to the privy council. A few years ago there was passed in this house an act which was taken to the privy council and I venture to say that that is where the St. Lawrence question will be taken, because the people will not stand for two governments sitting down together and making an agreement regarding water powers, robbing the people of what belongs to them.

Hon. members know what the water powers of Ontario have meant to the people of this province and the money they have saved to the toiler on the farm and the artisan in the city. We are bartering away to one corporation the Winnipeg river and the Seven Sisters falls; we are giving to another gentleman the Lake of the Woods, and as regards this particular clause 8, the fact that the Premier of Manitoba comes to Ottawa, sits at a table with representatives of the Dominion government and makes an agreement which they say is an agreement, does not make it one. Clause 8 prevents and hinders the people of Manitoba from having their own property. We are sitting here as the party to the second part,

backing up the Bracken government in taking away these resources from the people of Manitoba and handing them over to private greed and gain. In the coming election this question will be one of the great issues. In the United States the Democratic party and the Governor of New York are coming forward with a policy of public ownership to preserve the water powers for the people. Who knows the vast wealth that lies in the magnificent undeveloped water powers of the prairie provinces? I am sure a large number of the members know hardly anything about this agreement and I doubt whether anybody knows where this particular clause 8 is going to land. It will certainly find its way to the privy council. Clause 8 reads:

> The province will pay to Canada, by yearly payments on the first day of January in each year after the coming into force of this agreement, the proportionate part, chargeable to the development of power on the Winnipeg river within the province, of the sums which have been or shall hereafter be expended by Canada pursuant to the agreement between the governments of Canada and of the provinces of Ontario and Manitoba, made on the 15th day of November, 1922, and set forth in the schedule hereto, the convention and protocol relating to the Lake of the Woods entered into between His Majesty and the United States of America on the 24th day of February, 1925, and the Lac Seul Conservation Act, 1928, being chapter 32 of 18 and 19 George the Fifth—

And so forth. All these payments and agreements are made whether the people like them or not. What is the policy of the government regarding the water powers of this country? So far it has been to give them away to private greed and gain. This has been the case with regard to the Beauharnois, the Seven Sisters falls, and if the present government is to continue to have its say, there will not be a water power left to the people of Canada. There has been no election in Manitoba to decide whether or not the Bracken government has the support of public opinion in regard to clause 8 of this agreement. I venture to say that if there were an appeal to the province in Manitoba tonight, the people would not back up the Bracken government because of the way it has been handing out the water powers of that province. There was a deal made only a few years ago by which Mr. Backus, the American millionaire, crossed into Canada and was given very valuable rights. The government is giving him help in connection with the Lake of the Woods agreement. We ought to have some minister tell us what the policy of this government is regarding the question of water powers in the province of Manitoba. There are on the government benches some supporters of Hydro-Electric in Ontario. What

do they think of the hand-outs that are being given? What does the Minister of Railways think on this question of water powers? Is he for private ownership, or would he turn these magnificent water powers over to private greed and gain?

There was an investigation held by the Washington government not very long ago which brought out the fact that many of these millionaires in possession of the magnificent water powers of that country were buying up newspapers to influence public opinion in regard to water powers in the eastern and central states. They were spending large sums of money in advertising, and had their candidates at election time. I am afraid that they have crossed over into Canada, judging by what I see in the province of Ontario. The question of light and power is being made a football of. Sir Adam Beck tried to keep the water powers for the province, but now we are simply a filling station for these privately-owned water powers in Quebec, and the result of it all will be that the rates will be doubled and trebled before the contract terminates. Are we going to repeat this monument of folly in Manitoba by passing clause 8? You are adopting here the policy of private ownership of water powers. Are we going to hand over these magnificent water powers in Manitoba to Mr. Bracken for him to hand them over to a few favourites, as was done in connection with the Seven Sisters Falls? What about the undeveloped water powers of that province? There is going to be a day of reckoning, and the time has come for the government to lay down a policy. The government has authority to develop all these water powers and to hand them over to the province at cost. That would save the situation so far as the public is concerned. Where does the public come in with regard to clause 8? They are not consulted at all. There is such a dearth of public opinion with respect to water powers that almost any kind of water power agreement can be put over, but in a few years the country will wake up. We shall find that we must buy back these water powers. We have been buying them back in Ontario, and at a fabulous capital cost.

What has the Labour party to say on this question? Where does the Minister of Labour stand? He is supposed to represent the working classes of the province of Manitoba. He is supposed to put some protection in this agreement for the working classes, instead of the jokers with which it is filled from cover to cover, and the true meaning of which we shall not find out until a case goes to the privy council.

So far as I am concerned, I am opposed to the policy of the present government, handing over the natural resources of this country to the province of Manitoba with riders and restrictions therein. The province of Manitoba is not protected in any way in this agreement. The Bracken government is giving away water powers all the time. They would give away the parliament buildings in Winnipeg. If there is anything that they would not give away, I would like to know what it is. They are parting with water powers everywhere to a few favourites, and with no public control over rates. We had the same situation under the Liberals in Ontario up until 1905. They had given away all the water powers of the province when Sir James Whitney came into office, and he had to buy back the last power site in the Niagara district, from which he built up a magnificent system under public ownership.

Where does the Minister of Railways stand in this question? What is his policy regarding the city of Brandon and the water powers of Manitoba? Is he in favour of private ownership, or does he stand by the Seven Sisters deal and all that kind of thing? Is he in favour of the policy of the government in regard to the lake of the Woods? There seems to be such a dearth of public opinion in Manitabo that the government can give away anything and the people will know nothing about it. The government have absolutely failed to preserve the water powers for the people. This government could have developed power on the St. Lawrence, but instead of doing that they allowed three or four favourites to get away with valuable power sites. The government did have a policy at one time, and they referred it to the courts, but the judges could not understand their questions. I venture to say that the day is not far distant when the great development of the province of Manitoba, agriculturally and industrially, will make it necessary to buy back these water powers for the benefit of the people.

Mr. STEWART (Edmonton): My hon. friend never fails to take the opportunity to make a speech on water powers. Paragraph 8 has very little to do with water powers. It makes provision for repayment to the federal government of moneys used for the purpose of raising the levels of the lake of the Woods, which is in Ontario, and by the way was agreed to by the Ontario government, and for the repayment of the investment in Lac Seul, which is also in Ontario, and from which Ontario receives considerable benefit. The ownership of the water powers will be vested in the Manitoba government. They are responsible to the people of Manitoba, and will no doubt inaugurate a policy of dealing with those water powers that will be satisfactory to the province. That is all we are providing for here.

Paragraph agreed to.

Paragraphs 9 to 14 inclusive agreed to.

On paragraph 15.

Mr. BENNETT: It does appear to me to be a rather serious thing to say that the exclusive legislative power authorized to deal with a national park in Manitoba or any national park shall be the parliament of Canada, as this section does. In the days of Sir Oliver Mowat, were such a proposal made, I know what the answer would have been. Perhaps the Solicitor General will recall very readily the great case of the St. Catharines milling company which went to the privy council to establish the right of the province with respect to lands that were part of the Indian reserves. We are creating a little park of the Dominion of Canada within a province and subjecting that little park to the exclusive legislative power of the federal parliament. That is something that thus far in Canada has been unheard of,—that by agreement made with a province, and which the province reluctantly is compelled to accept, you provide that even with respect to taxation, where there is conflict between the province and the Dominion, the Dominion legislation shall prevail with respect to a national park in one of the western provinces. I can only register my protest against it, and I feel certain the day will come when this parliament will have to undo that which it is now doing in this regard. The sections are the same in all the agreements, and section 16 perhaps is the more objectionable. It provides:

> The parliament of Canada shall have exclusive legislative jurisdiction within the whole area included within the outer boundaries of the said park, notwithstanding that portions of such area may not form part of the park proper;—

That is a queer statement, that the legislative power over part of a province, vast in area it may well be, containing towns and villages, as in fact is the case in one of the parks, shall now vest in this parliament.

> —the laws now in force within the said area shall continue in force only until changed by the parliament of Canada or under its authority, provided, however, that all laws of the province now or hereafter in force, which are not repugnant to any law or regulation

made applicable within the said area by or under the authority of the parliament of Canada,—

That is, by order in council.

—shall extend to and be enforceable within the same, and that all general taxing acts passed by the province shall apply within the same unless expressly excluded from application therein by or under the authority—

Not of the legislature but—

—of the parliament of Canada.

That is such a departure from the provisions of the British North America Act that I have to content myself with merely making my general statement with respect to it. I shall discuss it further when I come to deal with the Alberta agreement.

May I say this? It is futile for us to make objections here. The Minister of Justice in the observations he made a few minutes ago indicated that we are but a rubber stamp. These agreements have been accepted by the respective legislatures and each constitutes now a contract between two parties, the province and the Dominion. We have no power to amend, we have no power to change, because no one party to a contract can change the contract without the consent of the other party. Therefore so far as this parliament is concerned we might as well accept these agreements and be done with them. All we can do is call attention to points which occur to us as we go along, and objections which we have to certain phases of the agreement; but as the minister very properly observed, it is too late to talk of changes once a contract is signed unless both parties thereto consent; and inasmuch as one party is not available for the purpose of making changes without long delay, there is nothing more to be said but to accept the agreements as they are.

Mr. RYCKMAN: Mr. Chairman, before this section passes I desire to say merely a word or two, because later on when this agreement may be further investigated it will be the wonder of the one who reads it how we assumed to have legislative authority to legislate as is proposed in this section 16. The scope and extent of the legislative jurisdiction of the parliament of Canada is defined by the British North America Act, and in my opinion it is idle and foolish—and I want to put that statement on record—that we as a parliament should attempt to determine what is within the exclusive legislative jurisdiction of the parliament of Canada.

Mr. LAPOINTE: Did my hon. friend say that he reserves his other remarks until the Alberta agreement is under discussion?

[Mr. Bennett.]

Mr. BENNETT: Yes.

Mr. LAPOINTE: Very well.

Paragraphs 15 and 16 agreed to.

Paragraphs 17 to 19 inclusive agreed to.

On paragraphs 20, 21 and 22.

Mr. CAHAN: With regard to what I assume is a very large increase in the actual subsidies payable to the three western provinces, is it the intention of the government to make a readjustment with the maritime provinces, so that their subsidies will be permanently increased in proportion as the subsidies are increased by these agreements?

Mr. STEWART (Edmonton): The position of the government is well known in that respect. The Prime Minister has stated on many occasions that each province or each section of the country and its problems will be treated on its merits. Now, the maritime provinces have received consideration, as my hon. friend well knows, and the arrangement for the settlement of the resources of the province of Manitoba is in a similar category. I fail to understand how one could give an answer to my hon. friend's question. If the maritimes feel they have some claims that are still unsettled, it is their privilege to make their representations to the federal authorities, as the western provinces have been repeatedly making their representations with respect to this matter, of which this agreement is the outcome as to Manitoba.

Mr. CAHAN: Then I understand the hon. gentleman to say, on behalf of the government, that inasmuch as the annual subsidy from the Dominion treasury to Manitoba is increased by this agreement, and similarly in the cases of Saskatchewan and Alberta, the government are prepared to reconsider the whole question of subsidies to the older provinces?

Mr. STEWART (Edmonton): Does my hon. friend expect me to answer?

Mr. CAHAN: Yes.

Mr. STEWART (Edmonton): I say at once, no.

Mr. CAHAN: Why not? Take the province of Quebec: in dealing with territorial interests the argument is frequently made that a large territory was subtracted from the Northwest Territories and annexed to Quebec, whose territorial limits were thereby extended in order that the property rights within that area might be vested in the crown in the right of the province. It has been stated also that the area of Ontario was increased so that the

lands brought within its jurisdiction might be vested in the crown in the right of that province. But in addition to transferring all these lands and everything implied in the word "lands," such as mines, minerals and royalties, when this agreement is ratified and confirmed by imperial legislation these will be vested in the crown in the right of these several provinces. Therefore they are restored to all the rights which were withheld from them at the time those provinces were created. But there is also a very large increase in the federal subsidy to each of those provinces under the several agreements, which puts out of balance, it seems to me, the whole question of the distribution of federal subsidies as between the older provinces and the new. Is that fact to be considered in a readjustment of the subsidies to the older provinces, especially to the maritimes? Are we acknowledging that that is a fair basis on which application may be made by those provinces and favourably considered by the government?

Mr. STEWART (Edmonton): The basis of the adjustment was not on any other theory or policy than that of putting the western provinces on an equality with the other provinces of Canada. May I point out that as early as 1912 the request of the premiers of the three prairie provinces to the federal government was that they should have returned to them their unalienated resources and that the full subsidy provided under the act of autonomy of 1905, when the population had increased to the extent that they would earn the full amount, should be continued for all time to come. That has been denied them up until the present, and the statement of my hon. friend that additional subsidies have been granted is not quite correct in that respect. These were provided for in the act of 1905, and they are getting no more than the continuation of the subsidies provided for in that act when they have the population to earn them. This is to make a basis upon which other provinces will base their demands. No one can prevent a province from making demands upon the federal government for consideration of any sort. I do not know upon what grounds they may base their contention for consideration; that is their privilege. As far as the western provinces and these agreements are concerned the intention is to put those provinces on an equality with the other provinces of Canada. So I say that the question whether the maritime provinces have the right to make an appeal to the government under the provisions of this agreement or on some other ground remains entirely with those provinces. The agreements stand upon their own feet, and as stated in the agreements themselves, they are to put the western provinces on an equality with the other provinces of Canada.

Mr. CAHAN: Does the hon. gentleman say that paragraph 20 of the agreement specifying the sums payable until the population of the province reaches 800,000, and then thereafter until it reaches 1,200,000, and then thereafter as provided in this section, does not increase by the extent of one dollar the provision already named in the 1912 legislation in respect to the payment of subsidies to the province of Manitoba?

Mr. STEWART (Edmonton): No; that was the provision of the agreements with the provinces, that when they had the population the subsidies would be increased from time to time until they reached the maximum of $1,125,000. That is the amount specified in each of the agreements.

Mr. BENNETT: On a population basis.

Mr. STEWART (Edmonton): Yes, on a basis of population.

Paragraph agreed to.

Paragraphs 23, 24 and 25 agreed to.

Schedule agreed to.

Bill reported, read the third time and passed.

NATURAL RESOURCES

AGREEMENT WITH ALBERTA

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of Bill No. 17, respecting the transfer of the natural resources of Alberta.

Mr. CAHAN: I presume we will have some explanation as to the special features of this bill. If not, I shall proceed to make some criticism upon it.

Mr. STEWART (Edmonton): There are some slight differences between the agreement with the province of Alberta and the agreement respecting the province of Manitoba. In the main however the provisions are almost identical. They are identical with respect to the terms for the payment of subsidies, and I wish to inform the house that the Solicitor General (Mr. Cannon) will move an amendment to section 2 so as to bring the Alberta act in conformity with the provisions of the Saskatchewan act. When that is done the two acts will be identical in every particular.

Mr. BENNETT: May I suggest that the minister read the amendment so that it will appear in Hansard to-morrow?

Mr. STEWART (Edmonton): All right. The amendment will affect section 2. Section 2 is as follows:

The agreement set out in the schedule hereto is hereby approved.

I shall ask to have section 2 amended so that it will read as follows:

The agreement set out in the schedule hereto is hereby approved subject to the proviso that in addition to the rights accruing hereunder to the province of Alberta the said province shall be entitled to such further rights if any with respect to the subject matter of the said agreement as are required to be vested in the said province in order that it may enjoy rights equal to those which may be conferred upon or reserved to the province of Saskatchewan under any agreement upon a like subject matter hereafter approved and confirmed in the same manner as the said agreement.

May I say in explanation of that amendment that the province of Saskatchewan was anxious that the matter referred to the commission should not be confined to the period from 1905, the date of the act of autonomy, to the present time. They suggested that they should be permitted, upon the submission of certain questions to the courts, to decide whether or not compensation which they claimed from 1870 onward should be given. This puts Alberta in identically the same position if it desires to take advantage of the provision.

Mr. BENNETT: There is another point as well: Saskatchewan reserves the right in connection with the Dominion Lands Act.

Mr. STEWART (Edmonton): Yes, it reserves that right, of course, but that gives the Alberta government exactly the same privileges and rights, if they desire to take advantage of them to bring forward a test case on this question.

Mr. CAHAN: What were those rights?

Mr. STEWART (Edmonton): They can be discussed better in committee, I think. The matter is contained in the Saskatchewan agreement.

Mr. BENNETT: Would it not be better to take the Saskatchewan agreement first?

Mr. STEWART (Edmonton): I much prefer to deal with this agreement first if possible because I should like to take them in the order in which they were executed by the provinces.

Mr. BENNETT: I should like to ask the minister a question, if I may. How can you add to the agreement, which is a contract between the two parties, without both parties agreeing to such amendment?

[Mr. Bennett.]

Mr. CANNON: There is a provision in the agreement whereby such an amendment can be made.

Mr. STEWART (Edmonton): There is nothing in this agreement in addition to what was contained in the Manitoba agreement. The only difference is the provision in the Manitoba agreement for the repayment of the moneys which were expended for improvements of water powers, and the lump sum payment provided for in the Manitoba agreement. This simply provides for the payment of the subsidy when the province has a population sufficient to earn the increased subsidy up to $1,125,000.

Mr. CAHAN: I should like to speak for some time in connection with this agreement. It is now fifteen minutes to eleven o'clock; we have done all we possibly could to assist in putting through the Manitoba agreement, which is very important, and I should like to suggest that I be allowed to move the adjournment of the debate.

Mr. STEWART (Edmonton): Would not my hon. friend be content to make his remarks in committee of the whole?

Mr. BENNETT: This is the proper place, and it is my intention also to speak on the second reading.

On motion of Mr. Cahan the debate was adjourned.

On motion of Mr. Mackenzie King the house adjourned at 10.46 p.m.

Tuesday, April 29, 1930.

The house met at three o'clock.

RADIO BROADCASTING

PETITIONS PRESENTED

Mr. PAUL MERCIER (St. Henri): Mr. Speaker, I have the honour to present and to deposit 171 petitions containing 21,592 signatures and 546 requests, making a total of 22,138 persons objecting to any change in the present system of radio broadcasting; that is, against the report of the Aird commission on radio broadcasting.

APPEALS IN CRIMINAL CASES

Hon. ERNEST LAPOINTE (Minister of Justice): I beg to lay on the table of the house amendments to the rules relating to criminal appeals which were made by judges of the supreme court of Nova Scotia on February 14, 1930.

RAILWAY ACT AMENDMENT

Hon. T. A. CRERAR (Minister of Railways and Canals) moved for leave to introduce Bill No. 124, to amend the Railway Act.

Some hon. MEMBERS: Explain.

Mr. CRERAR: The amendments proposed, four in number, are all of a minor character. The first has to do with the signature of share certificates and proposes a change from the procedure contained in the act. The next relates to the matter of compensation paid for lands adjoining points where the railway proceeds along or crosses a highway. The third amendment relates to the installation of signalling apparatus on locomotives other than steam locomotives, and the fourth amendment relates to the time at which the railways may dispose of goods that have not been called for by the persons to whom they were consigned.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 114, for the relief of Mildred Alma McCallum.—Mr. Lawson.

Bill No. 116, for the relief of Mabel Monk. —Mr. Lawson.

Bill No. 117, for the relief of Harry Edward Elvidge.—Mr. Tummon.

Bill No. 119, for the relief of Emily Anderson. —Mr. Bell (St. Antoine).

Bill No. 120, for the relief of Helen Marie Ferguson.—Mr. Hubbs.

ST. LAWRENCE WATERWAY

DEEPENING OF CHANNEL BETWEEN KINGSTON AND OGDENSBURG

On the orders of the day:

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, is the Prime Minister yet in a position to state on what terms and conditions the United States and Canada will each bear half the cost of deepening and improving the channel between Kingston and Ogdensburg on the St. Lawrence river? Has any agreement yet been made and is this improvement to be part of the St. Lawrence seaway project?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Correspondence has been going on between the two governments, as my hon. friend knows, but I am not in a position to make a final statement as to the outcome. I hope to be able to do so within a fortnight.

NATURAL RESOURCES

AGREEMENT WITH ALBERTA

The house resumed from Monday, April 28, consideration of the motion of Mr. Stewart (Edmonton) for the second reading of bill No. 17, respecting the transfer of the natural resources of Alberta.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I do not intend to retrace the arguments which I made last evening with regard to the terms of the Manitoba agreement, because these agreements in that respect are indentical in terms and those arguments will, I think, apply with equal force to the agreement with Saskatchewan and to the agreement with Alberta as now proposed to be amended by the amendment of which the hon. Minister of the Interior (Mr. Stewart) gave notice last evening. In order that the debate, so far as I am concerned, may be shortened, I trust no objection will be taken to my commenting now upon the Saskatchewan agreement as well as the Alberta agreement, because, in view of the amendment proposed, they are practically identical in terms.

These agreements with Alberta and Saskatchewan introduce certain new elements with regard to the maintenance of Roman Catholic schools in these two provinces and to the provisions for an equitable apportionment between the public and separate schools of the revenues derived from the school lands endowment fund and from the school lands in those provinces.

Since Canada became a British possession by the treaty of 1763, if one examines all the state documents year after year, it will be found that it has been the ardent desire of the Canadian people of the French race to retain the right to use the French language not only in their domestic circles but also in their schools and in the official life of the country. That right was exercised prior to confederation and was subsequently, at the time of confederation, embodied in section 133 of the British North America Act of 1867. Even to-day I may say the legislature of the province of Quebec has legislative jurisdiction —undoubtedly, I think—to enact that only the French language shall be used exclusively as a teaching medium in the schools of that province which are in receipt of financial grants from the provincial treasury. That right has never been exercised, I may say, to restrict the use of English in the schools of the Protestant minority. In the Northwest Territories in the earlier years there were a considerable number of French-speaking settlers who adhered to the Roman Catholic faith

The Northwest Territories Act of 1875, which was drafted by Edward Blake and passed by the government of Alexander Mackenzie, provided in section 11 that:

A majority of the ratepayers of any district or portion of the Northwest Territories, or any lesser portion or subdivision thereof, by whatever name the same may be known, may establish such schools as they may think fit and make the necessary assessment and collection of rates therefor.

It was thus provided that in districts or sections in which the Roman Catholic settlers were in a majority they could establish Roman Catholic public schools in which the French language could be taught if the majority in that district so decided. The eleventh section of that act provided further that:

The minority of the ratepayers therein, whether Protestant or Roman Catholic, may establish separate schools therein, and that in such latter case the ratepayers establishing such Protestant or Roman Catholic separate schools shall be liable only to assessment for taxes as they may impose upon themselves in respect thereof.

This eleventh section of the organic act of 1875, by which the Northwest Territories was established, provided therefore for the establishment of Roman Catholic public schools in districts in which the Catholics were in a majority, and for Roman Catholic separate schools in districts in which the Catholics were in a minority.

From discussions recently appearing in the public press of the province, of which I am one of the representatives, it would appear that there are many in that province having access to the public press who entertain the erroneous opinion that this organic law of 1875 still subsists; but such undoubtedly is not the case. The British North America Act of 1871 provided that:

The parliament of Canada may from time to time establish new provinces in any territories forming for the time being part of the Dominion of Canada, but not included in any province thereof, and may, at the time of such establishment, make provision for the constitution and administration of any such province, and for the passing of laws for the peace, order, and good government of such province, and for its representation in the said parliament.

The third section of that Imperial Act makes provision for the alteration of the limits of any province and confirms the act of the parliament of Canada passed in 1870 establishing the province of Manitoba. The sixth section of that act provides that:

Except as provided by the third section of this act, it shall not be competent for the parliament of Canada to alter the provisions . . . . . of any other act hereafter establishing new provinces in the said Dominion.

[Mr. Cahan.]

Thus by an act of the Imperial parliament of 1871 it was provided that when once the parliament of Canada had enacted a statute to establish the province of Saskatchewan, or the province of Alberta, carving these provinces out of the Northwest Territories, it had thereafter no power to alter the provisions of its own statute by which either of these provinces was first established. That I think is common ground. The Alberta Act to establish and provide for the government of Alberta was passed by this parliament in the year 1905, and the Saskatchewan constitutional act to establish and provide for the government of the province of Saskatchewan was passed in the same year. They are generally known as the constitutional acts of 1905. Both of these acts were passed when the late Sir Wilfrid Laurier—then more commonly known as Mr. Laurier—was Prime Minister of this Dominion. The bills introduced to this parliament for that purpose were framed admittedly by Sir Charles Fitzpatrick, the then Minister of Justice, and the acts in the form in which they now exist were passed by the votes of the Liberal members then representing the province of Quebec in this house, by the votes of such eminent Liberal statesmen of the day as the present Minister of Justice (Mr. Lapointe), the present member for Bonaventure (Mr. Marcil) and, I think, the present Speaker of this house (Mr. Lemieux). In fact, I think if you read carefully the debates of 1905 you will perceive that with the exception of Messrs. Bergeron, Bourassa, Lavergne, Leonard, Monk, Morin and Paquet, every French-speaking member of the House of Commons of that day voted for these two acts in their present form which constitute and establish the provinces of Alberta and Saskatchewan. The Canadian parliament was then fully informed that what it was then doing by those enactments could only be undone by virtue of another act of the Imperial parliament, and all parties to the passing of those acts were fully cognizant of the import and finality of the legislation then being passed.

Those two government bills were introduced by Mr. Laurier—later Sir Wilfrid Laurier—the then Prime Minister and leader of the house. They incorporated into the proposed constitutional acts of 1905 the educational provisions of the Northwest Territories Act of 1875. The act of 1875, which had been introduced by Hon. Alexander Mackenzie as Prime Minister, was in 1905 the organic law of the Northwest Territories. It was expressly provided in that law in section 11 thereof:

That the majority of ratepayers in any district or subdivision thereof may establish

such schools as they think fit and that the minority of ratepayers therein whether Protestant or Roman Catholic may establish separate schools therein.

These bills in the form in which they were first introduced by Mr. Laurier as Prime Minister made provisions for the maintenance of Roman Catholic public schools in the school districts in which the ratepayers of the Roman Catholic faith were in the majority, and for the continuance and maintenance of Roman Catholic separate schools in districts in which the Roman Catholic ratepayers were in the minority. If the bill as it was first introduced by Sir Wilfrid Laurier in 1905 had been enacted by parliament it would have provided for the maintenance of Roman Catholic public schools in districts in which the Roman Catholics were in the majority and for the maintenance of Roman Catholic separate schools in school districts in which the Roman Catholics were in the minority. That bill if enacted would have rendered such legislation as was recently enacted by the legislature of Saskatchewan ultra vires of the legislature of that province. In 1905, however, after the second reading of the bill to establish these new provinces, as introduced by the Prime Minister of that day, Mr. Laurier deliberately abandoned the provisions of his bill which incorporated the organic law of 1875 and in lieu thereof he introduced in committee of the whole house a new section in substitution for the section in the bill as introduced, and this new section now appears as section 17 of both the Saskatchewan and Alberta acts. He and his government thereby, with the approval of parliament, restricted the rights and privileges of the Roman Catholic majority or minority as the case may be in any school section to those very restricted rights and privileges which might be exercised under the terms of chapters 29 and 30 of the Northwest Territories ordinances of 1901. Sir John Thompson, when Minister of Justice, declared these ordinances to be ultra vires of the legislature of the Northwest Territories in view of their educational clauses conflicting with the organic law of 1875. It is significant to recall to the attention of members of this house that before the second reading of the bill of 1905, the Hon. Clifford Sifton had resigned office in the government, and the Hon. W. S. Fielding had publicly protested against its terms. The bill as amended in committee passed on motion of Mr. Laurier after a prolonged discussion. The seventeenth section of the Alberta act of 1905, as well as the same section of the Saskatchewan act of 1905, now provides that each province may enact laws with respect to education with this restriction:

> Nothing in any such law shall prejudicially affect any right or privilege with respect to separate schools which any class of persons have at the date of the passing of this act under the terms of chapters 29 and 30 of the ordinances of the Northwest Territories passed in the year 1901, or with respect to religious instruction in any public or separate schools as provided for in the said ordinances.

The provision of the Northwest Territories Act of 1875, which provides that in any district the ratepayers could organize schools as they thought fit were thereby superseded and wiped out by the constitutional acts of 1905. Under the provisions of the constitutional acts of 1905 Roman Catholic public schools, theretofore existing in school districts in which the Roman Catholics were in the majority, could no longer function as such. Catholic public schools have not existed since 1905 in either the province of Alberta or the province of Saskatchewan. I should like to direct the attention of the members of the house to that fact, and, if my voice would reach so far, I should like to direct the attention of many newspaper editors in the province of Quebec to that fact as well. Section 137 of the Northwest Territories school ordinance of 1901 provides:

> 1. No religious instruction, except as hereinafter provided, shall be permitted in the school of any district from the opening of such school until one-half hour previous to its closing in the afternoon, after which time any such instruction permitted or desired by the board may be given.
>
> 2. It shall, however, be permissible for the board of any district to direct that the school be opened by the recitation of the Lord's Prayer.

Those were the sole rights with regard to religious instruction which were retained and confirmed under the Alberta and Saskatchewan acts of 1905. The sole rights reserved to the majority or to the minority under these constitutional acts were thus stated in parliament by Sir Wilfrid Laurier on June 29, 1905, found at page 8495 of Hansard:

> The minority in the district, whether Protestant or Roman Catholic, if they are not satisfied with the treatment they receive from the majority, may establish a separate school. From the opening of the school up to half past three the education is given absolutely secular and absolutely under the control of the board of education of the province, in every particular —not only in the public schools but in separate schools as well.

By the sections of the act of 1905 which I have just read Sir Wilfrid Laurier stated that the majority should have the right also, under all circumstances, to this half hour of religious instruction. Last evening the Minister of

Justice (Mr. Lapointe) made rather a sarcastic and, it appeared to me, almost a sneering suggestion with respect to my alleged friends in the government of Saskatchewan. As a matter of fact, if he referred to personal friends, I think there is only one member of that government whom I ever met in a friendly, personal way. That is the attorney general of the province, who is a graduate of Dalhousie university in the city of Halifax, where I taught law. However, he has grown up since then, and I have met him only once since, as I remember. In discussing measures of this kind which come before parliament I accept full responsibility as a member of this house for the position I take in this house. If I were a member of the legislature of the province of Saskatchewan I would have different duties and responsibilities imposed upon me, and I may say frankly—and any member of the house who knows my personal history will believe me—that if I had been a member of the legislature of the province of Saskatchewan I could not have given my support to the educational clauses of the legislation which recently passed that legislature. My own personal history has been consistent in that respect, and I direct the attention of the Minister of Justice to the fact that whether my views were right or wrong, in 1896 I forfeited what were then splendid political prospects for a young man by standing, as I thought I ought to stand, by the Roman Catholic minority in the province of Manitoba in a constituency in which there were less than thirty Catholic voters, and where I was defeated by something less than 200 votes. Since that time in the province of Quebec, without any ostentation I have endeavoured as best I could to associate with members on either side of the house, political opponents as well as political friends, in protecting what I believe to be the rights and interests of the Roman Catholic residents of that province.

This I will say, however: If the Premier of Saskatchewan desires authority in favour of the absolute constitutional and legal right of the legislature of Saskatchewan to enact such restrictive legislation as was recently enacted by the legislature of that province, he has only to peruse the address of the late Sir Wilfrid Laurier delivered in this parliament in 1905, and he will ascertain that he may now proceed to exercise, without any legal or constitutional restraint, the legislative powers which were granted to Saskatchewan by the administration of Sir Wilfrid Laurier in 1905. He will also find complete and unequivocal assurance that he is now exercising legislative powers which the late Sir Wilfrid Laurier and Sir Charles Fitzpatrick, the then Minister of Justice, drafted for the express purpose, as declared by themselves, of vesting such ample legislative powers in the legislatures of these two new provinces, which legislative powers the present government of Saskatchewan recently exercised in respect to public schools. In the public schools of my own province, under an amicable arrangement made over sixty years ago by Sir Charles Tupper, who introduced the public school system of that province, Roman Catholics, say in the city of Halifax, had and in fact have their separate schools, by a tacit and conciliatory arrangement which never has been impinged upon. My own faith and belief is that in view of the fact that we have differing religious faiths throughout the length and breadth of this country, the better way would be to follow as an example the amicable arrangements which were made in my own native province under the supervision of Sir Charles Tupper, then Premier of that province. But in that debate Mr. Laurier—and I call him Mr. Laurier because he was not Sir Wilfrid Laurier at that time—

An hon. MEMBER: Yes, he was.

Mr. DUNNING: He was Sir Wilfrid then.

Mr. CAHAN: Then I stand corrected. Sir Wilfrid Laurier frankly admitted that he had departed from the provisions of the organic law of 1875. At page 8495 of Hansard he said:

> It has been contended by my hon. friend from Labelle (Mr. Bourassa) and also my hon. friend from Beauharnois (Mr. Bergeron) and others that in this respect the provisions of the organic law of 1875 have been departed from. That may be—I do not dispute that or consider that point at this moment.

At page 8852 Sir Wilfrid continued:

> The hon. member for Labelle knows that there is a principle which all Liberals, and particularly French-speaking Liberals, have always held sacred, and that is the absolute right of the provinces to make their own laws. It is an historical fact, well known to all, that if we have to-day a federal, instead of a legislative union, that is due to the persistent efforts of the French Canadians, who, in order to be in a position to legislate for themselves, and to settle all questions of internal economy, have insisted on having that division of powers implied in a federal union.

Regarding the use of the French language in the new provinces of Alberta and Saskatchewan, Sir Wilfrid Laurier, in referring to section 133 of the British North America Act, said on page 8572:

> The very fact that here the French and English languages are made the official languages in the Dominion parliament and the Quebec legislature, necessarily excludes the

other provinces from that provision, and leaves that subject to be dealt with by them as they may see fit in the best interests of the public.

The present Minister of Finance (Mr. Dunning) who was then a member of the Saskatchewan legislature, and his former Liberal associates in that legislature, found ample authority in that passage for the enactment which they made during the session of 1918-19, restricting the use of the French language in the schools of that province.

Referring to the contention of Mr. Monk that the use of the French language in those provinces should receive legislative sanction, Sir Wilfrid Laurier said:

> True he (Mr. Monk), has attempted to do, but he has failed in his attempt to show that the French people in the Northwest Territories can claim the right of the use of the French language upon any authority in the British North America Act, or upon any reasons which are founded in the history to which allusion has been made. . . . . If the French people in the territories were in the same position to-day as they were in 1877; if there were as many who speak the French language, then I could understand my hon. friend arguing from the point of view of utility and sentiment, but if it is true that according to the last census there were altogether 200,000 people in the Northwest Territories and only 8,000 of them who spoke the French language, then I say it cannot be argued in the name of justice that they have the right to the official use of that language.
>
> For my part, proud as I am of my French origin, I could not claim in the name of justice and fair play that right in view of the fact that there is such a small proportion of French-speaking people in those territories. Indeed if we look at the statistics there would be more justice for the French Canadians in the state of Massachusetts to claim the right to use their language in the legislature at Boston, because the number of French Canadians in Massachusetts is greater in proportion to the total population, than is the number of French-speaking people in the Northwest Territories to the total population there.

And continuing at page 8580 he said:

> The fathers of confederation did not pretend to authorize the French language in any part of the Dominion except in this parliament and in the province of Quebec. Everywhere else the people were left free to deal with the matter as they thought fit.

At page 8581, Sir Wilfrid continued:

> My hon. friend from Montmagny (Mr. Armand Lavergne), this afternoon asked a question as to whether parliament had not the right to implant the French language in the new province. Sir, I answer to my hon. friend that I do not recognize that parliament has the right to implant the French language in these new territories. Parliament may have the power to do so, but I deny that it has the right. Parliament has the power to do everything, but I deprecate the day when the French people of this country shall ask parliament to do anything that they have the power to do if they have not at the same time the right to do it.

Such were the pronouncements of Sir Wilfrid Laurier during the discussion of the constitutional acts of 1905 and Sir Wilfrid clearly and unequivocally announced to the House of Commons that the French Canadians in the new provinces of Alberta and Saskatchewan would, after the enactment of the two constitutional acts of 1905 constituting those provinces, have no right whatever to insist that their children should thereafter receive instruction in the French language. Sir Wilfrid insisted that the Roman Catholic public schools theretofore existing in those provinces would be superseded and that thereafter no Roman Catholic majority in any school district in which there was such a majority, nor any Roman Catholic minority in any school district in which there was a minority, would have the right of religious instruction for their children, except religious instruction for one-half hour after the secular schools closed at half past three. He said that from the time of opening of the schools until half past three in the afternoon the education to be given was to be absolutely secular and under the control of the board of education in any particular district.

After the passing of that legislation there was only a very meagre right and privilege reserved to the Roman Catholics of those provinces. Section 17 of the constitutional acts reads as follows:

> Nothing in any such law shall prejudicially affect any right or privilege with respect to separate schools which any class of persons have at the date of the passing of this act, ... or with respect to religious instruction in any public or separate school as provided for in the said ordinances.

After a lapse of nearly a quarter of a century I regret to see that in the express terms of the Saskatchewan agreement, and by the terms of the amendment to the Alberta agreement of which we have notice, the right to have even a half hour's religious instruction after the close of the secular school is again placed in the melting pot. It is proposed by the enactments which are now before this parliament that the government of Alberta or the government of Saskatchewan, as the case may be, may, when these agreements are authorized by statutes of this parliament, appeal to the judicial committee of the privy council to have it decided that the meagre rights conferred in 1905 for one-half hour's religious instruction after the close of the secular schools are unconstitutional and invalid.

In view of the fact that even the meagre rights reserved in 1905 are now placed in jeopardy, I wonder if there is a single member on the other side of the house who is

prepared to stand up and declare that it is inexpedient and impolitic at this time to place these matters in jeopardy by an authorized appeal to the judicial committee of the Privy Council for a judgment declaring them unconstitutional and invalid.

In like manner, section 17 of the acts of 1905 reserved the right of the Roman Catholic minority to receive for the support of their separate schools an equitable share of the annual revenues from the school land endowment fund. I repeat that by this legislation those two provinces are again expressly authorized, despite the final judgment of the Supreme Court of Canada, to initiate litigation to call in question before the Privy Council, as the highest court of appeal, the validity and constitutionality of those provisions. I suggest it would have been far better in making a settlement with those provinces that a final settlement should have been reached and that a final settlement should have been presented to the house.

The Minister of Justice (Mr. Lapointe) yesterday afternoon paid high compliments to himself and his colleagues for having settled a question which had remained so long unsettled and he quoted from a speech of the former leader of the Conservative party in the house pointing out the difficulties of coming to a final settlement. But I say to the Prime Minister (Mr. Mackenzie King) that he has not reached a final settlement. Those problems with respect to compensation and those questions with regard to educational rights of the Roman Catholic people in those provinces are not settled, and he himself has admitted that under present conditions he is utterly incompetent to secure an agreement settling them finally. The result is that every difficult and irritating problem is still left for the decision of the courts or for some further agreement between the federal government and the governments of the various provinces.

One last word with respect to those agreements. I have a considerable number of constituents, probably one-half, who are of the Roman Catholic faith and a considerable number of those are of the French-Canadian race. I find circulated amongst those people newspaper editorials, small excerpts reprinted from the Regina Star and other papers, containing attacks upon the Roman Catholic faith that I, from my training, breeding and education, could certainly never endorse. I find those being circulated in my constituency, among my electors, as providing a reason why I should not be returned to parliament from that constituency, simply because I am alleged to be in some sort of a conspiracy with the Saskatchewan government, of whose very composition I am ignorant, to wipe out the Catholic church and to make the Ku Klux Klan supreme in that province. I say to the right hon. gentleman and to those of his supporters who manipulate such propaganda, that if that is continued I am prepared to go throughout the length and breadth of the province of Quebec and tell the people, as I am telling him to-day, that the restricted rights and privileges of the Roman Catholic minority in those prairie provinces are in a large measure due to the terms of the constitutional acts of 1905 which were amended in committee by the government of which Sir Wilfrid Laurier was leader, in order to gain for his government an increased support in the English-speaking provinces in which the Protestants had a majority. I now say to my hon. friend that if we are to avoid these discussions in my constituency and in the surrounding constituencies, they must at least avoid attributing to me any persistent hostility to the Roman Catholic faith for which I in my inmost heart have a supreme respect and almost reverence, because, as everybody knows, I have a wife of that faith and my greatest desire would be to attain to the purity of soul of one who belongs and adheres to a different faith from my own. Therefore I say to these gentlemen that sort of propaganda must stop in the province of Quebec.

Mr. DUNNING: What about the kind of propaganda my hon. friend's party is circulating in Saskatchewan? Let his condemnation be widespread and I will agree with him.

Mr. CAHAN: I know nothing about and I am not responsible for propaganda being circulated there. I deny that the hon. gentleman is able to show that the Conservative party in federal affairs is circulating that propaganda.

Mr. DUNNING: Positively.

Mr. CAHAN: Even if it is being done, I have separated myself from that to this extent, that, please God, I am prepared, if necessary, to vindicate on every platform in my city the position which I have taken in the house and which I have taken consistently throughout the long years of my life.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, let me say immediately that my hon. friend (Mr. Cahan) is certainly mistaken when he says that anybody is attributing to him sentiments of hostility toward any creed or faith. On the contrary, I am more than willing to pay to my hon. friend

the tribute that he is a broad-minded Canadian; that far from being imbued with any sentiment of prejudice and bigotry, he is quite the reverse. I say this with the utmost sincerity and I have great pleasure in doing so.

May I say, however, that I fail to appreciate the purpose of the address that my hon. friend has delivered this afternoon or what good may be derived from it. I will refrain from following him on the historical side of the question with which he has dealt. I do not think any good purpose would be served by following my hon. friend and especially doing so in a way that he will permit me to say is more political than otherwise. My hon. friend referred to the autonomy bills of 1905 and tried to make a case against a good Canadian who has now disappeared from the scene, for whom I had always the greatest admiration and towards whom I entertained feelings of loyalty and respect which have followed him even to the grave. Let me tell my hon. friend that I was a member of the house in 1905 and I have a pretty vivid recollection of the events that took place at that time.

My hon. friend referred to the first clause relating to the schools of the western provinces which, as he stated, was passed in the act of 1905. He complains that this clause has not been made law but has been replaced by another one. My hon. friend might have given some reasons for that. Certainly, as a student of political history, and as a man who was already in political life at that time, he knows that it would have been impossible to carry that clause through parliament at that time, and it was replaced by another clause which represented a compromise. As far as I am concerned, I have no hesitation in saying that I would have preferred the first clause 16 of the autonomy act. The second clause, as I said, was a compromise in order to have the legislation accepted by parliament. But, sir, as to that second clause which my hon. friend says preserved only a remnant of their rights to the minority, preserved only what he called meagre rights, why does he not say that that clause was adopted by parliament notwithstanding the hostility and violent opposition of his friends on the other side of the house? Why does he not say that that clause embodying what he calls only a remnant of rights, only meagre rights to the minority, gave rise to a violent agitation in Canada at that time? As soon as that clause came before parliament, there was a by-election in the province of Ontario, in the city of London, which I remember well, when the Minister of Public Works of that day, Mr. Hyman, was the candidate of the Laurier government, and upon what issue was that election fought? The cry there was, "Vote against Laurier, Hyman, Sbarretti and the Pope." That fight was against that clause which my hon. friend says preserved only meagre rights, only a remnant of rights to the minority. Those who were alive at that time certainly remember that, and we who accepted that compromise and voted for the second clause as it was presented to parliament, have had to fight elections, since. During the following election, in my old riding of Kamouraska, I was accused on all the public platforms of having betrayed my friends of the western provinces, my co-religionists and those who speak my language, but at the same time the Laurier government was being accused in the rest of Canada of having imposed fetters on the western provinces, of having enslaved and dominated the western provinces. I hate to have to refer to that.

My hon. friend from St. Lawrence-St George might perhaps ask the present leader of the opposition (Mr. Bennett) what position he took at that time about these meagre rights, this remnant of rights. My hon. friend the leader of the opposition was as eloquent at that time as he is to-day, and I remember fine words of his delivered in that very city of London during the by-election to which I referred a few moments ago, when my hon. friend was not preaching constitutional means altogether for the purpose of getting rid of that legislation. There is the history, Mr. Speaker, and my hon. friend might have completed his own version of the facts by mentioning these little incidents.

My hon. friend said that these were the sole rights preserved to the minority. Absolutely so. They were kept and preserved to the minority by the goodwill and cooperation of those who agreed to accept that compromise for the purpose of preserving at least what my hon. friend himself has at heart to preserve to-day. My hon. friend says that those rights are again placed in the melting pot because of the authorized references to the courts and to the privy council. Let me, in answer to that, say first that this reference applies more particularly to the question of lands; and the province of Saskatchewan, or at least a group in that province, has for years carried on an agitation to the effect that the Dominion of Canada never had the right at any time to own and possess those lands, that those lands were the property of the population of that territory, that the crown in right of the Dominion was never the legitimate owner of those lands. I see that my hon. friend from Rosetown (Mr. Evans) is applauding that sentiment. I know that he was one of those who developed that

theory. But only in Saskatchewan, and by a certain group there, was that claim ever set forth. The government of Alberta did not set forth such a claim. This government, of course, has taken the position that the two provinces must be placed exactly on the same footing. Also, the province of Saskatchewan, as well as the province of Alberta, have ever had the right to apply to the courts if they wished to test the validity of any act. So we are not granting anything new in that respect. My hon. friend from St. Lawrence-St. George, speaking in this house last year on a resolution moved by the late member for Frontenac, spoke as follows at page 223:

> Naturally some difference of opinion arose at the convention—

He was speaking of the great Conservative convention. My hon. friend repudiates many of his friends but he meets with them when he has the opportunity.

Mr. CAHAN: I never repudiate them. The hon. gentleman in making that statement is making a sneer which is utterly unworthy of him.

Mr. LAPOINTE: I am sorry that I have said something which is unpleasant to my hon. friend. I withdraw it, and I will say that he did not repudiate any of his friends. Speaking in this house last year he said:

> Naturally, some difference of opinion arose at the convention with regard to the interpretation of the constitution as it exists to-day, but it was felt that this interpretation might well be left to the courts of this country.

Later, he said at page 224:

> But I do assert that it is not only inopportune, but it would be inadvisable for the members of this house to deny to these three western provinces the right to present their claim before a competent tribunal.

That was only last year. Now what is the objection to that? I do not want to present the case as to the Dominion ownership of these lands, because that matter will be submitted to the courts and I do not think that it would be proper to argue it here. But my hon. friend remembers the words I quoted yesterday from the lips of his late leader, Mr. Meighen, speaking in this house in 1921, when he said he would be only too pleased if there was a question of law that could be submitted to the courts. At the time neither he nor anybody else apparently thought there was any question of law involved and that there could be any reference to the courts. They would have been very pleased indeed to settle the question in that way. Now, if any group in these western provinces, especially when it is in control of the government of one of the provinces, wants to submit that case to the courts, why should we object? We do not object. Of course, as I have stated, I cannot submit such a case, but we have not much reason to fear what the decision will be.

As far as the constitutionality of the Alberta or the Saskatchewan acts relating to schools is concerned, the clause has already been submitted to the Supreme Court of Canada and a unanimous judgment was delivered by that court stating that the clause is absolutely constitutional. We have tried to get an opinion from His Majesty's Privy Council, but no appellant presented himself. Anybody to-day still has the right to take the position of an appellant there, and he will be granted leave to appeal. We have nothing to fear as to the constitutionality of the Alberta or the Saskatchewan act relating to the land clauses as well as the school clauses, and surely there is no harm in permitting the courts to decide if any party claims it has rights which should be submitted to those courts.

Now, I want to refer to my hon. friend's complaints about what he called "the propaganda" in the province of Quebec. He himself stated what this propaganda was—the publishing of editorials that appear in the press in other parts of Canada. Well, is there anything very wrong about that? I only wish that nothing else may ever be circulated against myself and against those who think as I do on public questions. I have no objection that any of my statements or any of my writings should be published and circulated anywhere in Canada, because I hope and believe that they will always be Canadian in their outlook and inspired by the Canadian spirit. I believe the remedy for misunderstandings in this country is publicity. Canada is a vast country, and the danger in the past has been the danger of divisions and friction. Let me add that those divisions and friction have delayed the progress of Canada. We are too young a country and we have too great a future in store to waste our time in fighting among ourselves. But at that time there was no way to make known throughout the Dominion, either in the press or on the platform, statements which were made in any particular province. Now we have publicity, we have the press everywhere, we have radio broadcasting, and what is said somewhere is known elsewhere. And it is a good thing that it should be so. I invite my hon. friend and his friends anywhere to circulate anything that is said by me or by my friends in Quebec or elsewhere in Canada.

Surely you cannot prevent a statement being repeated; and, as I have said, it is a good thing that it should be so, for it acts as a sort of corrective. I remember a few months ago coming back from the conference which I attended in London, and the first Canadian newspaper I happened to read when I landed in New York contained an interview with a western public man just back from Ottawa, in the course of which he said he could not settle the question which was the purpose of his trip to Ottawa because the Minister of Justice was absent in Rome.

Mr. HANSON: You were there, were you not?

Mr. LAPOINTE: No, I was not; but I had a perfect right to go to Italy. I am told it is a very fine country. As a matter of fact I hope to go there some day. I have the right to go there, even if somebody may not be pleased about it. But, I repeat, I did not go to Rome. However, this statement was published and I saw it republished in some newspapers elsewhere. But you cannot complain about such things. Let me say to my hon. friend that I do not think he has served a very good purpose by delving into ancient history this afternoon. If he wants to have a field day on political history relating to this question, I shall be pleased to meet him, even in his riding if he likes, or anywhere else he may choose.

Mr. CAHAN: All I can say to my hon. friend is that he and all his entourage are welcome in my riding on any occasion.

Mr. LAPOINTE: I assure my hon. friend that I will not need any entourage.

Mr. CAHAN: I think the hon. gentleman will be very much in need of an entourage.

Mr. LAPOINTE: I think we could both form a team which would give a pretty accurate epitome of the political history of Canada during the last twenty-five years.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, this agreement is due to the policy of the Liberal government. Every province came into confederation with a school law of its own manufacture. What did the Liberal party do in this house in 1905? Against the constitution of this country they illegally passed legislation known as the Alberta Act of 1905 and the Saskatchewan Act which forced a school system on those two prairie provinces. Now, no question is settled properly until it is settled right. I agree with the hon. member for St. Lawrence-St. George in what he has said so ably and learnedly, that every clause of this particular agreement has objections, some of which may, I say, go to the Privy Council.

In the speech from the throne at the opening of his administration in 1922 the Prime Minister (Mr. Mackenzie King) said the government was prepared to bring down legislation to give these two prairie provinces their resources. Did he and his government implement that promise? No. Why? Because of the interference of some gentlemen across the floor, notably from the province of Quebec. Then in the session of 1926 the matter came up in the speech from the throne in the following words:

> Your attention will be invited, among other measures, to a bill to provide for the transfer to the province of Alberta of its natural resources, and to a bill amending the Dominion Elections Act.

A resolution was placed on the order paper by the Minister of the Interior. He said, "I am always prepared to transfer their resources to the western provinces." Of course he is, and of necessity. When the Minister of the Interior placed the resolution on the order paper to implement the clause from the speech from the throne in the early part of the session of 1926 he absolutely failed to go ahead with it. Why did he fail to do that? He failed because of a speech made in this house by the hon. member for Labelle (Mr. Bourassa). The minister is very fond of running away from this principle. He ran away from it in 1926; he disregarded his resolution on the order paper and after it was well known that the government would not deal with the resolution the minister kept it on the order paper until the close of the session so as to fortify his position. A motion of a private member, the then hon. member for Frontenac-Addington, Mr. Edwards, and my own, to give Alberta its resources free from all restrictions, were ruled out of order on the ground that such a motion interfered with the resolution of the government on the rule regarding anticipation. The result was that that session of the house was concluded and Alberta and Saskatchewan did not receive their natural resources. Those two provinces would have had their resources returned in the year 1905 if the government of the day had had any respect for provincial rights. In 1896 Sir Wilfrid Laurier reached the treasury benches through his stand on provincial rights and the Manitoba school question. He said it was not a matter of law, but a matter of policy. The question went to the privy council and came back here; it was found that under the British North America Act this parliament had power to pass remedial legislation. An election was held in which

provincial rights won. At that time Sir Wilfrid made a settlement with the government of Manitoba, and the settlement was fifteen or twenty times worse than if they had accepted the original proposal. The Minister of the Interior is fond of running away from his principles. He made a speech in the city of Hamilton a while ago on the participation in war, and to that speech we find about fifty explanations. We find the minister avoiding the principle in the year 1926 because of the opposition offered by the hon. member for Labelle. Speaking in this house on January 29, 1926, during the debate on the address in reply to the speech from the throne, the member for Labelle is reported as follows:

As regards the last paragraph in the speech from the throne, "natural resources of Alberta," I put to the government this question, to which they need not reply to-day. Why Alberta alone? Why not Manitoba and Saskatchewan? The same principle, the same policy, apply there. The right hon. gentleman stated the other day that it had been a great mistake not to hand those natural resources to the provinces of the west when they were formed. This opens up a very complex aspect of the question. I am not going to dwell upon it to-night; but I am in duty bound to tell the members of the government that when, in 1905, the provinces of Alberta and Saskatchewan received their provincial charters at the hands of this parliament, exercising the constitutional jurisdiction with which it had been vested by the imperial parliament, when these territories were acquired from the Hudson's Bay Company, the matter was discussed at length in private as well as in public. I stand here, with one exception, I think, the only living witness of one of those conferences in which it was agreed that these natural resources should remain in the hands of the federal government for various reasons, one of which was that they should serve as a guarantee of the maintenance of what remained of the school rights of the Catholic and French minorities of those provinces. I do not want to take the house by surprise, nor do I relish the idea of having to resuscitate these old questions in the house. But, sir, I should be remiss in my duty, I should be disregarding the honour of my solemn word pledged at the time, but if any change was ever made in the material terms of the contract, I would stand as a witness to that contract—I say, I should fail in my duty if I did not on this occasion demand that the moral obligations then undertaken be strictly fulfilled. Indeed, I will not see a shred of those promises broken without stating what I know to be the truth of the matter and indicating what part I myself played in the undertaking, and with what object. Before this question is settled, there must be a frank, a clear and an honest understanding as to what shall be done in respect of the solemn moral obligations entered into when that reservation was made. I shall let it go at that for the present.

The hon. member for Labelle on that occasion steered the government in another direction with the result that they did not go ahead with the legislation. An election was held and following that Mr. Brownlee came to Ottawa. The present government tried to settle these matters with the Liberal governments of Alberta, Saskatchewan and Manitoba. In the case of Alberta and Manitoba, Mr. Brownlee and the Minister of the Interior—"two souls with but a single thought, two hearts that beat as one"—came down to Ottawa and sat around a common table with the result that provincial rights were crucified. The whole doctrine of provincial rights as propounded by Sir Wilfrid Laurier has been crucified not only in the matter of the school clauses, school lands and school funds, but regarding many other matters. The Alberta legislature has adjourned for a year and this particular bill cannot come into effect until the 1931 session. When the parliament of Canada or the province of Alberta sign an agreement, where does it go? It has to go across the sea for the approval of His Majesty and the parliament of the United Kingdom of Great Britain and Northern Ireland. It is quite evident that it would take two or three years before effect could be given to any legislation. In regard to clause 6 referred to by the member for St. Lawrence-St. George (Mr. Cahan) we can see that more legislation would be necessary, as in 1905, when the provincial rights were crucified. Those two provinces were prevented from having a school law of their own manufacture; they had a law imposed upon them illegally by this parliament, against the constitution of this parliament and in a manner different from the other provinces which came into confederation. There are few provinces in the Dominion so rich in water-power as the province of Alberta. They are going to repeal section 4 of the Dominion Water Power Act, chapter 210 of the revised statutes of Canada, 1927. Paragraph 8 of the agreement says:

—that every undertaking under the said act is declared to be a work for the general advantage of Canada, shall stand repealed as from the date of the coming into force of this agreement in so far as the same applies to undertakings within the province, nothing in this paragraph shall be deemed to affect the legislative competence of the parliament of Canada to make hereafter any declaration under the tenth head of section ninety-two of the British North America Act, 1867.

If this is the kind of agreement Alberta is going to get I can only say that the Liberal party have put it over not only the provincial Liberal party but the Liberal party in this house. As in the year 1905, they have put it over the province of Alberta. That province thinks it is getting its natural resources free of restrictions, whereas as a matter of fact it is not. It is getting the natural resources

with all kinds of agreements and provisos and exceptions, and the whole thing will wind up in the privy council. I agree with the hon. member for St. Lawrence-St. George. He has pointed out the jokers in section 6. The time may yet come when there will be a change in the province of Alberta as there has been in the province of Saskatchewan, and that government will stand up for provincial rights which have been denied the provinces of Alberta and Saskatchewan since 1905.

Where was the Minister of Justice in 1926, when the validity of section 17 of the Alberta Act was under discussion in this house? He said it was a question of law, although no one had ever expressed any doubt as to the validity of that section, which had been in existence for twenty years. In order to shunt this matter off with a provincial election pending in Alberta, the Minister of Justice had the question referred to the courts on the ground that there were implied doubts, when that was not the case at all. Under these conditions Alberta is not getting back her natural resources free of all restrictions. I believe the time is coming when in that province there will be sufficient public spirit to have these clauses taken to the privy council in order fully to protect the rights of the people of that province.

Mr. FINLAY MacDONALD (Cape Breton South): Mr. Speaker, there are just a few observations I should like to make on this question before this bill is read the second time. I do not think there is any desire on the part of any person in the house to withhold the transfer of these resources to the three prairie provinces, but the discussion which has taken place so far, particularly with regard to the terms upon which these resources are being transferred, brings up again a question which was debated in this house last year and in regard to which the house came to unanimous agreement. I refer to the interest of the maritime provinces in these western lands.

I have no desire to discuss the merits of these agreements; if they are satisfactory to the people of the western provinces, well and good. However, there is one thing of which I am satisfied in my own mind, regardless of what has been said; it is that when these resources are transferred, the incident is closed as far as separate schools are concerned. I believe that when these resources are passed over to these three prairie provinces they will have power to do just what they please with regard to their own educational institutions. I listened carefully to the argument of the hon. member for St. Lawrence-St. George (Mr. Cahan) with respect to whether section 40 of the Dominion Lands Act was included in these agreements. I quite agree with his contention that it is not so included, but I go further and say that section 40 is totally inapplicable. That section reads:

> All moneys from time to time realized from the sale of school lands shall be invested in securities of Canada to form a school fund, and the interest arising therefrom, after deducting the cost of management, shall be paid annually to the government of the province within which such lands are situate, towards the support of schools organized and carried on in accordance with the law of such province; and the moneys so paid shall be distributed for that purpose by the said government in such manner as it deems expedient.

Will it be contended for a moment that when these school lands have passed to the control of the province and the province sells a portion of them, that money will be taken immediately and invested in Dominion bonds? I do not believe that contention possibly could be made, because the moment you try to put it into practice you see how improbable it is. Then again, what will be done if these provincial legislatures undertake to rip to pieces the existing educational institutions? What power will be invoked if that should be done? Is there any power in the courts to interfere with the administration of the government of a province? Is there any power in this parliament to pass remedial legislation of any kind? I think all students of political history in this country will quickly come to the conclusion that the day has gone by for this parliament to undertake to interfere with the administration of educational laws in any province.

Last year the following resolution was moved in this house by the late member for Frontenac-Addington (Mr. Edwards):

> That, in the opinion of this house, in the best interests of confederation, and the economic development of western Canada, the provinces of Manitoba, Saskatchewan, and Alberta should be granted their natural resources free from restrictions within the legislative competence of the parliament of Canada with provisions for the maintenance and administration of school lands and school land endowment funds for educational purposes according to the laws of the respective provinces, but in compliance with the letter and spirit of the constitution, and that the claims of these provinces to compensation for loss for lands and resources alienated, and the claims of any other provinces—

I want to direct particular attention to these words:

> —and the claims of any other provinces in connection with this subject should be investigated with a view to satisfactory and equitable adjustment.

In the discussion which followed, the claims of the maritime provinces were set forth.

Those claims were not admitted by our friends from the west, who contended that we in the maritime provinces had absolutely no claim on any of the western lands. We thought then, and still think, that we have a claim.

Mr. CAMPBELL: You have not substantiated it.

Mr. MacDONALD (Cape Breton South): No, because we have not had a chance to do so, and I am going to ask now that we be given a chance to substantiate those claims. That discussion was freely participated in and an amendment was moved by the hon. member for Red Deer (Mr. Speakman), proposing to strike out of the latter part of the resolution the words indicating that the maritime provinces might have some claim which should be investigated. With the usual generosity which characterizes our friends from the west he went on to say:

> We believe that the resolution thus amended will be acceptable to practically every member of the house, and we can assure other members of the house, particularly those from the maritime provinces, that if they give this resolution, as amended, the support which it merits, or indeed if that support is not given, we shall be prepared in the future, as in the past, to work with them for the adjustment of their grievances and for the satisfaction of their needs. . . . .

That brought before the house the question whether or not it was prepared at that time to commence an investigation as to the justice of the claims. That matter was gone into at that time, but I think we should have at this time a declaration from the government as to whether or not these claims are to be investigated. The hon. Minister of Finance (Mr. Dunning) at that time committed the government when he asked the hon. member for Red Deer (Mr. Speakman) to withdraw his amendment, stating that the government was quite prepared to commence an investigation. He said:

> So, while not disagreeing with my friends of the United Farmers of Alberta as to the merits of any claim, I would ask them seriously to consider the withdrawal of their amendment in order to attain practical unanimity, if possible, at this stage. In no sense does the resolution commit anyone to the recognition of any claim which may be made by any other province; it merely commits us to a willingness to investigate any claim put forward by anyone.

The hon. minister stated at that time that the government was willing to investigate any claims, and the time has come when that investigation should be instituted. Once these resources pass to the provinces the incident will be closed as far as the maritime provinces are concerned. In 1912 Sir Robert Borden, then Prime Minister of Canada, gave a solemn promise to the people of the maritime provinces when he said:

> I would like to point out to my hon. friend (Mr. Oliver) that one of his own colleagues on that side of the house has raised an important question this afternoon, and has expressed views with which perhaps my hon. friend (Mr. Oliver) may not be inclined to concur; namely, that when this question does come to be considered, some regard will have to be given to the claims of some other provinces in Canada and especially the three maritime provinces whose boundaries have not been increased, whose boundaries cannot very well be increased on account of their natural situation. That is a matter that will have to be taken up in connection with the handing over of their natural resources to the three prairie provinces. I would like my hon. friends from the maritime provinces to understand that that is a matter which has not escaped the attention of the government.

The time has come when Sir Robert Borden said the matter would receive consideration; we have a unanimous resolution, passed last year by this house, at which time the hon. Minister of Finance, speaking for the government, committed the government when he stated that an investigation should go on. We ask that the government give us some undertaking that this matter will be considered. If we have a claim let that claim be adjusted; if we have no claim let the people of the maritime provinces be satisfied by the finding of some tribunal that there is no foundation for the claim which they make.

Mr. ROBERT K. SMITH (Cumberland): Mr. Speaker, I desire to associate myself with the plea of the hon. member for Cape Breton South (Mr. MacDonald), that this is the opportune time for the government to make a statement as to its attitude with respect to what we claim to be an interest of the maritime provinces in certain western lands which are to be transferred by the enactment of bills now before the house. We from the maritime provinces have no objection to the passage of these bills as we believe that the western provinces of the Dominion should have their natural resources. We do not object to the increased subsidies under these bills, although the subsidies were granted in days gone by to those provinces in lieu of their natural resources, nor do we object to the financial settlements as contained in the present bills; our only complaint is that the resources were not returned to the western provinces long ago. I believe it to be repugnant to the very spirit and letter of confederation to have some provinces in the Dominion of Canada enjoying a full measure of autonomy not enjoyed by all.

The last speaker has referred to the statement made in 1912 by Sir Robert Borden.

He referred also to the resolution which was passed unanimously last year by this house, and I believe he referred to certain recommendations contained in the report of Sir Andrew Rae Duncan as to the interest of the maritime provinces in these western lands. There may be some difference of opinion as to just what that interest is. Some may claim it is a proprietary interest, others may say that it is a beneficiary interest under a trusteeship; it may be claimed that it is a legal interest, or that it is an equitable interest. In any event we from the maritime provinces claim and always have claimed that it is an interest which should be acknowledged by this parliament, and we believe that this is the opportune time to have that interest recognized.

Sir Robert Borden in 1912 served notice upon the parliament of the Dominion of Canada that when these natural resources were to be transferred to the western provinces consideration would be given to whatever interest the maritime provinces might have in those western lands which we have not shared in because of necessity our territorial boundaries could not be extended due to our geographical position. I agree with the hon. member who has just taken his seat in his statement that this matter should be satisfactorily settled before it is too late, and that the government ought to make some statement with regard to the investigation to be made as to the merits of our claim.

It is not necessary for me to go into the history of these lands as that subject has been discussed on many occasions, but I do not see any reason why the government should not adopt the recommendation of Sir Andrew Rae Duncan that consideration be given. Not long ago the hon. Minister of the Interior (Mr. Stewart) made the statement that with one exception, all of the recommendations contained in the Duncan report had been implemented. I call the attention of the government to the fact that the recommendation dealing with this subject is another one which has not been carried out. I claim also that there are many others but that matter can be discussed at a later date.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, as one who has lived for forty years in one of the provinces whose natural resources are now under consideration, I may be permitted to say a few words. I went to that province when the population was very small, and when even the school question was not of importance.

The hon. member for St. Lawrence-St. George (Mr. Cahan) put forth rather queer ideas regarding the people of Saskatchewan and I would not like to let this occasion pass without a word in regard to what he said. We have been described to-day as a class of people without intelligence, fired by cross-purposes and absolutely unreasonable. The Ku Klux Klan does not yet own Saskatchewan and I defy my hon. friend to point to any act of the government or any other organization in Saskatchewan to-day indicating a desire to abolish entirely the Roman Catholic religion. My hon. friend is wrong also regarding the rights of the Roman Catholics as to their schools. Apart from the quality of fair play which is attributed to those of British origin, whether of Celtic or Anglo-Saxon race, prejudices and enmities may be created in religion or education more easily than in any other way. Whatever the hon. member for St. Lawrence-St. George may say —and I am also bearing in mind a speech made in the house some time ago by the hon. member for Labelle (Mr. Bourassa)— our French friends must trust to the people of Saskatchewan and to their fair play to carry on their educational system in their own way. There is nothing else to be done. We are allowing Quebec to do that; we are allowing Ontario to do that, and Saskatchewan must also have its way regarding even its education.

I believe a mistake was made in 1905. Whether it was done with the consent and with the advocacy of Sir Wilfrid Laurier or anyone else, I still say it was a mistake then to pass a law which divides one class from another, one race from another. In Saskatchewan to-day we are a mixed people and as proof of that let me point out that since the auxiliary of the British and Foreign Bible Society was established in Saskatoon nearly 120,000 copies of the Scriptures printed in forty languages have been distributed and sold amongst the different peoples of my province. While I have no prejudice against the French langauge in the schools of Saskatchewan, I think it is quite enough for those people, some of them perhaps not as literate as we are, to learn the English language and I do not think it is an unreasonable qualification in our educational system to insist that every child should know the English language.

As regards the Ku Klux Klan, those people are not in any way what one might call hot-headed, and they are absolutely against any violent or unconstitutional way of doing things. In fact, I might say they are not nearly as numerous to-day in Saskatchewan as even the Knights of Columbus. More than that, it is not the Klan that carried Saskatche-

wan last June for the Conservative party or as much of the province as went that way. Thousands of professing Liberals of former days also voted for the Conservative and Progressive parties. That the French people of this country should be jealous of their own language is understandable and I have no fault to find with that view; in fact I am in sympathy with it. I know my own people have carried on a fight for something like 1,500 years and sometimes we have lost what we considered our rights in Wales. About a generation ago we considered it a triumph when we obtained the right for our young people to write their examinations in Welsh. I have sympathy with these people, but neither in Canada nor in Great Britain nor in any other of the British dominions is there anythink that forbids anyone from using his own language in the home, the church, or the market place, and if it is desired that every child in Saskatchewan should learn the English language, I do not think that is unreasonable.

Before confederation the delay in extending Canada across this continent and into the territories now constituting the provinces under consideration, was due to French-Canadians. They were afraid of upsetting the delicate balance that existed at that time between the two races. This and not the barren waste which lies between the east end of lake Superior and the fertile part of western Canada postponed the annexation of the western part of the Dominion. Professor Morton, professor of history in Saskatchewan university, says that years before confederation successive governments had professed a willingness to construct a road and telegraph line through to the prairies, but French Canada then saw to it that no such thing was done. When Messrs. Howland and Sicotte went to England to put through plans for a railway to the maritime provinces and a road and telegraph to the Pacific, Howland was ready to work out a practical scheme along with the British government, but Sicotte assumed an attitude which the Duke of Newcastle afterwards characterized as "refuse nothing, discuss everything, but do nothing." So the language we find is the one thing which every French-Canadian has been jealous of throughout the history of confederation.

Cartier plainly told the home government that Quebec would never countenance the annexation of the west, but he said he would like to see the Red River settlement made a crown colony in which at that time the French and the English were fairly well balanced. With this possibility it seems that Cartier was ready to bring the west into the prospective union. The French-Canadians only then accepted the views of their distinguished leader. When the fathers of confederation made provision for bringing the Northwest Territories into the Dominion, it was not with the idea of annexation or ownership by the Dominion. In fact, the law officers at that time were very careful not to use the word "annex", but rather to say, admit Rupert's Land and the Northwest Territories into the union. The idea was to admit it into the union as a potential province with every right, including all the natural resources, assured to it that the other provinces enjoyed. Accordingly, the lawyers of the crown in drawing up the British North America Act as well as the act with respect to Rupert's Land were careful to avoid the use of the word "annex."

In the second paragraph of the agreement that we are now considering I think that all the words after the word "resources" to the end of the paragraph should be struck out; that is, the words "as from its entrance into confederation in 1905." Saskatchewan did not enter the union in 1905. Saskatchewan in that year obtained the nominal status of a province, but Saskatchewan as part of the Northwest Territories actually entered this union in 1870, and so Saskatchewan's right does not date from 1905, but from 1870. It was at that time given to the British government as a trust, as the keystone of the arch, as it were, of confederation in order to make of British North America one country called Canada.

I must say that the claim of our maritime friends that they have some proprietary right in the western lands seems absurd to me. What could they have? Why did they not put such a claim forward when Ontario got the tremendous extension which it received a good many years ago? Why did they not put forward that claim when Quebec got what was known as Ungava? If they have any proprietary right in any of the hinterland of Canada to-day, it surely would be in that part of the country, in the eastern end of the Dominion.

Mr. MacDONALD (Cape Breton South): The claim was put forward in 1912, when the extensions were made to Ontario and Quebec.

Mr. EVANS: And there was as little prospect of the claim being satisfied then as there is now regarding western Canada.

The agreement itself as it stands to-day, which has been ratified, I believe, by the two provincial governments, is not at all to my liking. It does seem to me that it does not provide a return of the natural resources to Saskatchewan and Alberta in a way that

places us in a position of equality of status with the other provinces of the Dominion. In the first place, we do not get the resources in their entirety. The fact is that we should be receiving the return of the resources as from the crown, and not from the Dominion.

In the second paragraph of the agreement the words are used "as from its entrance into confederation in 1905." Those words cannot but conflict with the ideas of the people in Saskatchewan to-day. That certain enactments were made by this parliament in 1872, and since never, we claim, gave the territories to this Dominion government. That surely should be plain to all concerned. The right hon. the Prime Minister (Mr. Mackenzie King) in his correspondence gives the impression that more was to be expected. In his letter dated December 31, 1929, he expresses his willingness to refer to the privy council all legal arguments regarding the claims of the province to compensation for alienation. That is between 1870 and 1905, I take it. That is surely conceding a point which is one at least of those in dispute. On page 4 of the correspondence, the Prime Minister in a letter expresses his willingness to grant to Saskatchewan terms similar to those granted to Manitoba under which they get compensation.

There is another point. I do not see why the western provinces should be placed under the suzerainty of this Dominion as regards their school lands and school land funds. I do not see why sections 37 to 40, whether inclusive or not, should apply to Saskatchewan and Alberta. Can anyone point to anything giving this same control in respect to any of the other provinces, in respect to Ontario or Quebec? Are we not now to be placed in a position of equality with the other provinces of the Dominion? Let me ask the Minister of Justice (Mr. Lapointe) why anything should be retained in this agreement that is bound to cause trouble in the years to come? In the first place, why should not Saskatchewan be given title to these lands so as to place us in a position of equality with all the other provinces?

Again, Saskatchewan surely should not bear the burden of the exemption from taxation which is given to the railways, and which was done for the general good of Canada. The provinces should not be called upon to bear such a burden when the involvement was for the whole of Canada. At an even price of say $10 per acre, for 15,086,456 acres alone of railway land, it means $150,864,560. Why should Saskatchewan bear this imposition? Why should not the Dominion government restore its self-respect and its honour by giving us this in bonds bearing interest say at 5 per cent? That in itself would amount to over $7,500,000 yearly. I would like a word from the Minister of Justice or from the Prime Minister on that point. They may see some justice in the fact that when I went there forty years ago I had to help construct roads past the Canadian Pacific Railway lands to get to their sidings with my own produce. It does not seem to me that we should forever bear that burden. We had nothing to say then regarding the revelry of the Dominion government in western lands. The railway lands alone, let me repeat, capitalized at five per cent make the present subsidies look something like an apology—a wretched substitute for the real thing. If we add to these too the land grants to the Hudson's Bay Company, seven quarter-sections in every township—also made "for the good of Canada"—this agreement instead of being determinative of rights is a complex arrangement from which is bound to spring litigation and trouble in the years to come.

There is also the agreement regarding the parks. Again I ask, why the different treatment in this respect from that accorded to the other provinces of the Dominion? Why in Saskatchewan and Alberta should the Dominion government hold what amounts to a little empire in itself? This arrangement is bound to cause trouble with two administrations within the same boundary, to say nothing of the disregard of the rights of the province, which should be, and must be yet, one of the sovereign entities of this Dominion.

I come now to what appears to me to be the worst part of the whole agreement—the retention of our rivers, lakes, and other waters with the water powers that might yet be derived therefrom. I think in the years to come this is bound to cause dispute, annoyance, and, perhaps, much litigation. Does this government believe in the right of the provinces to own their own public utilities and public domain? I am wondering too what commitments this government has entered into that in any way have made it necessary to withhold these resources from the provinces which should be given subject to the navigation requirements of the British North America Act. There are a number of such prospects disposed of perhaps, such as the Little Lake Manitou, to exploit which a charter has been granted to a foreign company. This company now claims to have the right to ship all the minerals either in a solid or semi-solid state to anywhere they choose. Little Lake Manitou is in Saskatchewan, and as far as I know there

is only one other like it in the whole world, that at Carlsbad in Germany. Its curative powers are known now all over the North American continent. Men and women come there from thousands of miles away because of the medicinal virtues of the water. Now this foreign company claims to have the right to all of the shore line and to rob the lake of all its crystals. This I believe is to be begun this year. A village has sprung up there, but the property acquired as building sites will now be useless as anyone may be debarred from going down to the beach.

Mr. TOTZKE: May I ask the hon. gentleman a question? Does he say everybody is debarred from going down to the beach at Little Manitou Lake?

Mr. EVANS: The company claim to have that right.

Mr. TOTZKE: They are not claiming that right now.

Mr. EVANS: Something has transpired, then, that I know nothing of. I have here the placard in which the company say in big black type in the centre:

Dominion government have granted Manitou Lake Sanitarium and Mineral Products Manufacturing Company, Limited, controlling rights on entire Little Manitou lake whether the minerals occur in a solid state or in solution.

Mr. TOTZKE: That is the first advertisement, is it not? They have issued a new advertisement since.

Mr. EVANS: These placards are displayed in different places to-day around my own home.

Mr. TOTZKE: Is that circular displayed?

Mr. CAMPBELL: They may have that right, but may not be exercising it in full.

Mr. EVANS: I am told by the Minister of the Interior (Mr. Stewart) that a permit has not yet been granted to exploit the waters. But at the present time the lake is being exploited and it may be robbed of all that gives it its curative powers before anything is done by way of prevention.

Now, there is another feature of the agreement which I do not like. That is, with regard to the 1924 agreement with the Hudson's Bay company by which they relinquished some lands in Alberta in exchange for lands to be located in Manitoba or Saskatchewan from a list furnished to them by the Minister of the Interior. I think Saskatchewan is entitled to compensation for any lands selected there by the Hudson's Bay Company in this respect.

It has been said that if the agreement does not give us what we think is coming to the province we may have it righted by the privy council. Well, there is no right to appeal to the privy council as far as I know, except upon the question of compensation anterior to 1905. But again, if this agreement is ratified by both governments, it becomes a Dominion statute and also an imperial statute long before we can take our case to the privy council.

I wanted to state these objections, and while I live in Saskatchewan I thought I might do so during the discussion on this agreement.

Mr. THOMAS CANTLEY (Pictou): Mr. Speaker, I do not wish at this stage to take up very much time of the house in dealing with this matter. I have not now, nor have I ever had, the slightest objection to the western provinces getting control of their lands; in fact I am very glad that they henceforth are to administer them. Neither do I claim on behalf of the eastern provinces any share in these lands whatever. The two eastern provinces of Nova Scotia and New Brunswick, with the two older provinces of Quebec and Ontario, were the original partners in confederation and as such in the year 1870 jointly found the money to pay a certain amount, namely £300,000, to the Hudson's Bay Company in extinguishment of the title which they claimed in those western lands referred to as Rupert's Land. As one of the federal representatives of the province of Nova Scotia, one of the four original provinces forming confederation as it existed before 1870 and which acquired Rupert's Land in the manner I have already described for the sum of £300,000 paid to the Hudson's Bay Company in extinguishment of their title, I am desirous that the rights of my native province should not be lost or deemed to have lapsed by any default of expression or silence on the part of a representative of that province in this house to-day.

The hon. member for Rosetown (Mr. Evans) who has just spoken, suggested that when the province of Ontario acquired a large accession to its territory from these lands we of Nova Scotia should have then voiced our objection or stated our position and made some claim. As was pointed out to him by the member for South Cape Breton (Mr. MacDonald) we did so a matter of seventeen or eighteen years ago. I assume that hon. members are aware that in the language of a layman Rupert's Land was acquired in 1870 by the Dominion of Canada which at that time consisted of the four original confederated provinces only. How were those lands acquired so far as the money payment was concerned?

I find that two warrants were issued by Lord Monck the then Governor General of Canada. These warrants were drawn on the two London banking houses of Glyn, Mills & Company and Baring Brothers. Each warrant was for the amount of $730,000, making a total of $1,460,000, the then equivalent of £300,000, and was charged, so far as the records show, to the consolidated fund of Canada of that day. I am aware that a loan for $1,460,000 with a sinking fund attached was subsequently raised. Probably due to the fact that this loan was for the same amount as the sum paid to the Hudson's Bay Company in extinguishment of their title to the Prince Rupert lands, it has been generally supposed that this latter loan provided the amount paid the Hudson's Bay Company. I would point out however that the payment made through the warrants issued by Lord Lisgar was carried out in 1870 through the two firms of London bankers already named. The loan I have just now referred to of $1,460,000 was a thirty-year sinking fund loan issued in the year 1873, three years later than the acquisition of and payment for these lands. That loan did not provide the money paid to the Hudson's Bay Company. The sinking fund attached to that loan at the date of redemption amounted to £213,133/16/2, or $1,037,251.12, and did not entirely make up the full amount of the loan. The balance was taken from the consolidated fund of that day and the loan was retired at the end of the thirty years. This transaction of the 1873 loan is one to which I have already referred in this house. This loan, in the minds of some members of the house, was supposed to have provided the £300,000 paid to the Hudson's Bay Company. Such, however, was not the case. The particular loan I refer to was to cover the expenditures made in opening communication with, establishing government in and providing for settlement of the new territories, including the expedition to Red River and other related charges. It was made up of half a dozen different votes at different times, consolidated in 1873 in one loan of £300,000, or $1,460,000.

I wish now, Mr. Speaker, to point out that the two larger provinces of Quebec and Ontario each received very large extensions to their boundaries through territory carved out of these Prince Rupert lands acquired at this time. The province of Manitoba also at a later date had some accession to its territory; and mark this, sir; the rights of the two remaining members of the original confederated provinces were not allowed to be forgotten but were stressed at that time. I have no doubt that had the provinces of Nova Scotia and New Brunswick been so situated that they abutted on Rupert's Land they would also then have received some accession to their territory, as did the other two old provinces, their original partners when the Rupert lands were acquired. Due to their position geographically, such was impossible; but I submit that no member of this house will now advance the suggestion that because the two maritime provinces of Nova Scotia and New Brunswick were unfortunately situated so that they could not obtain accession to the territory embraced in Rupert's Land in the same way as the provinces of Ontario and Quebec, namely by direct physical contact, therefore any interest they had in these lands as original partners in the confederation when the lands were secured or any interest they had as citizens of the Dominion of Canada at 1870 before the creation of the new provinces or the adhesion of Prince Edward Island and British Columbia was entirely abrogated by the fact that they were disjoined physically from the Rupert's Land territory. As one of the four original provinces of confederation I submit that we, the then citizens of Nova Scotia, provided our shares of the original purchase price and as a matter of equity and simple elementary justice should receive some consideration. I make no claim to the lands themselves; further I neither object to the western provinces now receiving their natural resources nor suggest that these provinces should reimburse us for what we may have given or helped to provide. But as partners in confederation to-day and as partners in the confederation of 1870, when we as two of the then only four provinces made the contribution which secured these lands, we surely have some claim not to the lands but on the entire resources of the whole Dominion of Canada of which we form a part. I am not a lawyer and I do not profess to be able to say in what way this matter can best be dealt with, but I submit, sir, that we have some rights and I wish to protect those rights, whatever they may be. I do not attempt to define just what our rights are, but as a contributor at a time when the Dominion of Canada was but a feeble country compared with its present state; as a contributor at a time when our federal resources were few and meagre as compared with what they are to-day, and in consideration of the fact that the provinces of Ontario and Quebec, who were the major partners in the confederation of 1867, later each received very valuable accession to their territory, lands which have to-day proved of enormous—indeed, then quite undreamed of—mineral wealth, the province of Nova Scotia now ex-

pects that other hon. members of this house, representatives of other provinces, will view our position with at least sympathetic interest. We hope that at some time in the not now distant future these two old maritime provinces, Nova Scotia and New Brunswick, will be compensated for their vision and patriotic action and contribution necessary to the acquisition of these very important sections of this great Dominion.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, the motion which is now before this house for the second reading of a bill authorizing the transfer of certain resources to the province of Alberta is a matter of great public concern, not only to the province itself but to Canada as a whole. Nothing could better illustrate, after all, the soundness of opposition in our parliamentary system and the results of consistency in public matters than the action which is about to be taken.

Twenty-five years ago this fall, in the House of Commons, the Liberal party unequivocally placed itself on record as being opposed to the granting of these resources to the western provinces. On a division, which is recorded in Hansard, the Liberal party of that day decided that the new provinces of Alberta and Saskatchewan should not possess their resources. The Conservative party of that day believed that they would not be provinces, within the meaning of that word, under the constitution, if they were deprived of their resources; they believed that the administration of the public domain within the area of Alberta and Saskatchewan by the crown in right of the Dominion was at variance with every principle that should govern the creation of new provinces, and they placed themselves on record accordingly.

That fall, elections were conducted in the two provinces of Alberta and Saskatchewan, and the Conservative party of that time in those provinces placed itself upon record as believing that no province was worthy of the name unless it owned its natural resources and the public domain. I well recall those days; I well recall that election and the speeches which were made at that time by the leaders of the Liberal party throughout Alberta and the neighbouring province of Saskatchewan. The then Minister of the Interior, Hon. Frank Oliver, declared that it was in the interests of the west that the provinces should not own or control their resources. Apparently the electors of the provinces viewed the matter in that light, since at those elections a majority supporting the Liberal party was returned both in Alberta and Saskatchewan. However, the local policy of the Conservative party did not waver or change; they persisted in believing that the provinces should have their natural resources, and they endeavoured to educate public opinion to that point.

Now let us see the change which took place. First in the legislature of the province of Alberta and then in the legislature of the province of Saskatchewan resolutions were adopted, not asking for the return of the resources but suggesting that the Dominion government, settling the country by colonization efforts and by granting homesteads and preemptions, should continue that work but that waste lands and mines, minerals and royalties should be transferred to the new provinces. These resolutions, which were passed by the legislatures of the new provinces, were transmitted to Ottawa where a Liberal government was in power, but no result followed. Mark you, during all this time Liberal administrations were in power in the provinces of Saskatchewan and Alberta, and there was a Liberal administration also in power at Ottawa.

Despite the fact that the Liberal party had declared that local control of resources was not to be preferred to distant control, before 1911 there had been a perceptible weakening on the part of the Liberal government in its attitude towards the western provinces. Perhaps it will be recalled that the late Right Hon. Arthur L. Sifton was at one time premier of Alberta, and in a communication which he directed to Sir Wilfrid Laurier he recorded at some length the reasons why, in his opinion and in the opinion of his government—of which my hon. friend the Minister of the Interior was a member—the mines, minerals and royalties of Alberta should be transferred, not wholly but in part, to the government of that province. The late Sir Wilfrid Laurier answered that communication and placed upon record the reasons which, in his judgment, were conclusive against the contention made by Mr. Sifton. Mr. Scott, the premier of Saskatchewan, was equally insistent and the answer was equally emphatic, but it will be recalled by some hon. members present that another reason was advanced which was said to be very powerful. That further reason was that under the imperial statute it was provided that the parliament of Canada, in granting a constitution to the new provinces, had thereby deprived itself of further power to deal with the matters then dealt with and that, in the language of one of the communications, the matter was a closed book, that

it was ended. Sir Wilfrid Laurier said they had dealt generously with the western provinces, and the matter was ended.

Could anything better illustrate the value of the form of government we have in this country, by which we have governments and oppositions, than what took place thereafter? In season and out of season a few—not many—of us continued to urge that these resources be transferred to the western provinces, and we were happy to think that in the end, although we were few in number, some of us would live to sit in legislatures and see Liberals, who had denied the right of the provinces to these resources, stand in their places and make motions that they be transferred, agreeing with our contentions in their entirety.

Then there came a time, as the Minister of Justice said the other day, when the Conservative party came into power. Mark you, one of the planks in the platform of the Conservative party at that time was that they would return the resources to the western provinces. They succeeded to power in 1911; in 1912 no action was taken; in 1913, as I shall presently indicate, something was done and in 1914 the war intervened. In the session of 1914, the negotiations which had taken place between the western provinces and the government of Canada were indicated in a debate which occurred in this house. That debate was participated in by a number of gentlemen on the Liberal side, including Sir Wilfrid Laurier, and by the then Prime Minister of Canada, Sir Robert Borden, and two or three members supporting him. I observed that the other day at Regina the Minister of Finance seemed to be somewhat critical as to the position which I had taken in connection with this matter; at least he was so reported, and it was indicated that I had not taken that active interest in the matter which its importance demanded. If my hon. friend would take the trouble to read the debate which took place in the House of Commons on February 24, 1914, he would observe that the position which I then took was one of absolute silence, because I had made it abundantly clear in the preceding year that I for one proposed to hold the government which I supported strictly to the carrying out of its promise. I publicly said that Mr. Borden would keep his promise to restore these resources to the people of the provinces, and that if the Conservative Prime Minister failed to keep his pledge I would feel no longer bound to give support to the government.

Mr. DUNNING: At what page of Hansard is that?

Mr. BENNETT: That will be found at page 1069 of Hansard for the year 1914, being a part of the speech of Mr. Buchanan, now Senator Buchanan, who was then the member for Medicine Hat.

Mr. DUNNING: That is quoting.

Mr. BENNETT: He was quoting my speech.

Mr. DUNNING: He was quoting a speech made outside of the house.

Mr. BENNETT: He was quoting from a speech which I had made in Calgary during the preceding fall, I did not intend to participate any further in the debates of 1914 or further debates until such time as the Conservative party had implemented its promise. That is the position which I took and for which, rightly or wrongly, I received some commendation from the Liberal members of that day. I am bound to admit that that in itself is a suspicious circumstance.

Let me proceed a step further. It will be observed that up to that time the government of the day had given a promise to western Canada and to the Canadian people that it would proceed to turn over the resources to the western provinces. Correspondence which took place between Sir Robert Borden—in fact, it was before he was knighted—and the various officials of the provinces will be found in Hansard. I shall not attempt at this time to refer at any length to that correspondence because it would serve no useful purpose, but I desire to point out that the three premiers, namely Hon. Walter Scott, Hon. R. P. Roblin, and Hon. Arthur L. Sifton, had agreed in December, 1913, to the demands which they would make upon the federal government. Those demands are covered by an enclosure in a letter sent to Mr. Borden by Mr. Sifton, and which appears on page 1074 of Hansard of 1914. The enclosure reads:

> After having an interview with you in regard to the questions in respect of which the prairie provinces have received different treatment from the other provinces of Canada, and at your suggestion a meeting of the premiers of Manitoba, Saskatchewan and Alberta, it has been agreed between us to make to you, on behalf of said province, the proposal that the financial terms already arranged between the provinces and the dominion as compensation for land should stand as compensation for lands already alienated for the general benefit of Canada, and that all the lands remaining within the boundaries of the respective provinces with all natural resources included, be transferred to the said province, the provinces accepting respectively the responsibility of administering the same.

That was signed by the premiers of the provinces of Manitoba, Saskatchewan and Alberta.

Mr. DUNNING: That was in 1912.

Mr. BENNETT: The letter was dated December, 1913. I read that into the record because during the years 1912 and 1913 the then Conservative government had been endeavouring to deal with the problem, and it was in the fall of 1913 that the statement referred to by the hon. member for Medicine Hat, Mr. Buchanan, was made by myself in Calgary. I felt then, as I still feel, that it was the duty of the government of the day to implement its promise and that there was no reason why a little more progress should not have been made.

There is one thing which I think will appeal to this house, a factor which the Minister of Justice (Mr. Lapointe) did not mention, that Liberal administrations were in power in the three western provinces. There was also a Liberal administration in power in Nova Scotia, and it will be observed that in 1912-13, when these negotiations commenced, Mr. Borden pointed out that it was somewhat difficult for him to make any progress.

Mr. MACKENZIE KING: He would not give them a five cent piece.

Mr. BENNETT: I am bound to say that his conception of his position was somewhat higher than that. He did not look upon the office of prime minister as being one which permitted him to speak to the people in terms of five cent pieces.

Mr. MACKENZIE KING: I would point out to my hon. friend that under these acts we are giving these western provinces millions of dollars.

Mr. BENNETT: I would point out that this government is giving them nothing; there is the difference. When legislation is enacted which confers rights upon the people, the right hon. gentleman seems to think that he is the god bountiful. When he said the other day, "I would not give a five cent piece" one realized that after all power has its disadvantages, because it sometimes causes those who for a few brief moments in this great world of ours find themselves in a position of power and authority to believe that they have that which they do not possess, or that they have authority which in fact they cannot exercise. In the present instance the right hon. gentleman has said, "we are giving them millions," which is but another illustration that he believes he has authority and power which actually he does not possess.

Mr. BROWN: I believe the hon. gentleman desires to be accurate in his facts. There were not Liberal governments in the three provinces in 1913.

Mr. BENNETT: The hon. gentleman is correct. The government of Manitoba was not Liberal.

An hon. MEMBER: It was two to one.

Mr. BENNETT: Yes, two to one; it was replaced later by a Liberal government, as I intended to note during the progress of my observations. I thank the hon. member for Lisgar (Mr. Brown) for his correction.

An interprovincial conference had been held and it will be recalled, not as a result of but in accordance with the general principles that governed the statesmen of the other provinces, they preferred claims to the federal authorities for consideration of those provinces in the disposition of the Northwest Territories. The Northwest Territories or Rupert's Land had been granted originally to the Hudson's Bay Company, and it was surrendered by that company, not to the Dominion of Canada but to the crown. The crown transferred the property to the Dominion of Canada, and that being so, Sir Robert Borden had to deal with three problems. The first problem was the position of the federal government; the second problem was the claims of the provinces whose boundaries were contiguous to the Northwest Territories, and lastly, there was the claim of the provinces which were part of confederation but which had no territory contiguous to the lands in question.

With respect to the first problem, that of dealing with it from a federal standpoint, Sir Robert Borden's position is sufficiently indicated by the debate in parliament to which I have alluded. As Prime Minister of Canada he said he had certain obligations which he must discharge in a manner worthy of the obligations and trust imposed upon him by his office. Regarding the claim of Manitoba, its boundaries were extended to the Hudson bay. The claim of Ontario was settled by an extension of its boundaries with a corridor to Hudson Bay. In Quebec the boundaries were extended by the addition of millions of acres of territory. In that manner the claims of the three provinces of Ontario, Quebec and Manitoba were disposed of.

The Hon. Mr. Murray, the veteran premier of Nova Scotia, the Hon. Mr. Flemming, the Conservative premier of New Brunswick and the Hon. Mr. Mathieson, the Conservative premier of Prince Edward Island, were agreed that the rights of the western provinces to

their resources should be respected and they conceded their rights to those resources, but they were insistent in their demands that their provinces, like Ontario, Quebec and Manitoba, had claims which were worthy of consideration. If the letter of the statute is followed strictly, it will be observed that the lands of the Northwest Territories, lands alienated to the Hudson's Bay Company, subsequently deeded by that company to the crown and by the crown transferred to the Dominion were when the province of Manitoba was created treated as lands which were held for administration "for the purposes of the Dominion." The contention made was that if lands were held for the purposes of the Dominion, it followed that every province had some interest in them. British Columbia had not at that time joined confederation. It did so later. Prince Edward Island did not come into confederation until later. But inasmuch as they made a claim, it will be admitted that it had to be considered by the government of the day in the manner in which it was dealt with.

Mr. STEWART (Edmonton): Where does my hon. friend get that quotation "for the purposes of the Dominion"?

Mr. BENNETT: My hon. friend will find it in section 30 of the Manitoba Act, subsequently confirmed by the imperial parliament.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

HERBERT VINCENT CRISP

Mr. W. F. GARLAND (Carleton) moved the second reading of Bill No. 69, for the relief of Herbert Vincent Crisp.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I think at this stage we should have an outline of the main provisions of this bill. It seems to me that we ought not to allow these bills to pass in this perfunctory way. I would ask particularly if there are children involved in this case, and if so, whether provision has been made for them.

Mr. GARLAND (Carleton): There are two children involved in this case, and provision has been made for them.

Motion stands.

BUSINESS OF THE HOUSE

Mr. WILLIAM IRVINE (Wetaskiwin) moved:

That the house do now proceed to order No. 26—house again in committee on Bill No. 20, an act to provide in the province of Ontario for the dissolution and annulment of marriage.

Mr. SPEAKER: This motion is made under standing order 48. It is a privileged motion. Standing order 48 reads:

When a question is under debate no question is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the orders of the day; for proceeding to another order; to adjourn the debate; or for the adjournment of the house.

Under standing order 38, the motion is not debatable but must be decided at once by calling for the yeas and nays.

Motion agreed to.

DIVORCE COURT FOR ONTARIO

The house resumed from Tuesday, April 8, consideration in committee of Bill No. 20, to provide in the province of Ontario for the dissolution and annulment of marriage—Mr. Woodsworth—Mr. Johnston in the chair.

On section 3—Short title.

The CHAIRMAN: When this bill was last before the committee the hon. member for Stormont had moved an amendment, which reads:

That the bill be amended by inserting the following therein as section 3 of the bill, and renumbering section 3 as section 4:

3. Upon receipt by Secretary of State of Canada of a duly certified copy of an order in council passed by the lieutenant governor in council of the province of Ontario requesting that this act be brought into force in that province, the governor in council may, by proclamation, declare that this act shall come into force on a day to be named in the said proclamation, not less than three months after the date of the receipt of such request by the Secretary of State.

Mr. CHURCH: I move that the bill be now reported, if that motion is in order.

The CHAIRMAN: We are now considering the amendment which has been moved by the hon. member for Stormont, and the amendment which the hon. member for Toronto Northwest proposes to move is not in order at this stage.

Mr. BENNETT: It is not an amendment to the amendment. He has moved that the bill be reported.

The CHAIRMAN: The question is on the amendment moved by the hon. member for Stormont.

Amendment negatived: yeas, 38; nays, 63.

Title agreed to.

Bill reported on division.

Mr. SPEAKER: When shall said bill be read a third time?

Some hon. MEMBERS: Now.

Some hon. MEMBERS: Next sitting of the house.

Mr. SMITH (Stormont): Mr. Speaker, I move:

That said bill be not now read a third time, but that it be referred back to committee of the whole with instructions that they have authority to amend it by inserting the following as section three of the bill—

Some hon. MEMBERS: Order.

Mr. SPEAKER: When shall said bill be read a third time?

Some hon. MEMBERS: Now.

Some hon. MEMBERS: Never.

Mr. SPEAKER: Consent is not unanimous. Next sitting of the house.

Mr. WOODSWORTH: Mr. Speaker, I move that the bill be now read a third time.

Mr. SPEAKER: I would remind the hon. gentleman that his motion is not in order because there must be three several readings of a bill on different days and the stage for the third reading has not yet come. It may be taken at this sitting by unanimous consent; if not it must stand until the next sitting. To do otherwise the hon. gentleman would have to amend the rule.

Mr. WOODSWORTH: Mr. Speaker, I would point out that there has been no amendment whatever to the bill, and that according to the rule I am perfectly in order in moving the third stage of the bill without waiting for an intervening day.

Mr. DUNNING: There was no objection to the third reading.

Mr. SPEAKER: There was.

Mr. DUNNING: Who is objecting?

Mr. SPEAKER: The hon. member for Parry Sound, and the hon. member for Carleton.

[Mr. Bennett.]

Now, in answer to the hon. member for Winnipeg North Centre (Mr. Woodsworth) I would refer him to standing order 73:

Every bill shall receive three several readings on different days, previously to being passed. On urgent or extraordinary occasions, a bill may be read twice or thrice, or advanced two or more stages in one day.

This is not a case of urgency. The bill might stand until Friday for the third reading.

Mr. WOODSWORTH: Mr. Speaker, if I may be permitted, I recall very distinctly an occasion two years ago when the Sun Life bill which had been before this house for some considerable period was advanced in this way. Your Honour at that time claimed that since prorogation was in sight there was a possibility that the bill might not be passed at that session, and therefore it might be dealt with as coming under this description of urgency. Some of us protested, but without result. I would point out that in all probability the budget will shortly be brought down and the house will not have an opportunity of again taking up this bill before the budget is discussed. This matter having been before the country for several years, a similar bill having been passed two or three times in succession by the Senate of Canada, it having been discussed fully in this house last session and having been again discussed this session, the principle having been decided some weeks ago, and, as I have said, the budget being about to be brought down, it does seem to me that this is an urgent matter, and that the house would sustain Your Honour in deciding that the third stage be dealt with now.

Mr. BOYS: Mr. Speaker, might I be permitted a word? I do not for a moment dissent from what Your Honour has ruled regarding the three stages of a bill being dealt with on three different days. I would, however, point out that this bill has not been read to-day at all. Therefore if it should be put through the third stage now it would receive only one reading to-day. This being so, I submit that the rule Your Honour quotes would not be applicable to the situation now existing.

Mr. SPEAKER: I would refer the hon. member for North Simcoe (Mr. Boys) to standing order 77:

All amendments—

There are amendments to this bill.

—made in committee are reported by the chairman to the house, which shall receive the same forthwith. After report the bill is open to debate and amendment, before it is ordered for a third reading.

I have asked the house, when shall this bill be read a third time? and there not having

been unanimous consent to a suspension of the rule—there were two dissenting voices—I cannot do otherwise than apply the rule. But I am in the hands of the house. If the house says the rule shall be suspended, of course I must carry out its wishes—

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No, no.

Mr. SPEAKER: —but, remember always, these rules are made mainly for the protection of minorities.

An hon. MEMBER: Hear, hear.

Mr. SPEAKER: Next sitting of the house. Let me make this suggestion to the house. By the motion made a moment ago, the order of the day was superseded; that was done legally in accordance with the rules; but now the house might perhaps revert to private bills until nine o'clock.

Some hon. MEMBERS: Hear, hear.

Mr. CHEVRIER: I now move that the house revert to the orders of the day to take up the second reading of Bill No. 113, Letter C of the Senate.

Mr. SPEAKER: I shall call the bills in the order in which they appear on the order paper.

PRIVATE BILLS

THIRD READING

Bill No. 24, respecting a certain patent of George Yates—Mr. Casgrain.

PERCY VICTOR HOBBES

Mr. G. R. GEARY (Toronto South) moved the second reading of Bill No. 64, an act for the relief of Percy Victor Hobbes.

Mr. WOODSWORTH: In view of your recent decision, Mr. Speaker, that we are not to have a third reading of the divorce bill for Ontario for some time, we who are interested in the debate on that bill must look forward to the time when we can have a third reading. According to the rules, on private members' days individual private members' bills have precedence over public bills. That means that unless in some way these private bills can be set aside we will find ourselves in the same predicament in which we found ourselves yesterday. Under these circumstances, not in order to blockade the passage of these bills but in order to clear the way for what a good many of us believe will be in the interests of the country at large, the adoption of Bill No. 20, I shall have to move, as I did yesterday, that the word "now" be struck out and that the following words be added at the end of the question: "on the 12th of May, 1930". I have mentioned the 12th of May, 1930, a period two weeks hence, in order that we may have the opportunity next Tuesday to read a third time the bill respecting a divorce court for Ontario.

Mr. YOUNG (Saskatoon): In view of the fact that we have had a vote on the bill in which the hon. member for Winnipeg North Centre and various other members are particularly interested, and that the house agreed to a motion which makes possible the second reading to-night of these other bills, it is my judgment that the procedure adopted by the hon. member for Winnipeg North Centre is such as to be least calculated to facilitate the passage of his bill with respect to a divorce court for Ontario. We may assume from what has taken place this evening that the house is prepared to deal with Bill No. 20 according to the rules, and I believe there would be no obstruction of any kind. It seems to me that the house has been exceptionally fair in dealing with that measure, and as a private member I would like to ask the hon. member for Winnipeg North Centre not to proceed at this stage with the several amendments which no doubt he has in mind. I believe it will facilitate the object he has in view and expedite the business of the house if the amendment he has proposed be withdrawn and we are allowed to proceed with the second readings of these bills.

Mr. IRVINE: I think the ground that the hon. gentleman has taken is much to the point. These bills could be advanced one stage without prejudice to our case; in fact it would help us. We would be well advised to let them have second reading and I shall do my share to stop the whole business if we do not get bill No. 20 through when the time comes.

Mr. WOODSWORTH: If that is the feeling of the hon. members I would like to withdraw the amendment.

Amendment withdrawn.

Motion agreed to on division and bill read he second time.

SECOND READINGS

Bill No. 66, for the relief of Constance Bertrand Murray—Mr. Sanderson.

Bill No. 69, for the relief of Herbert Vincent Crisp—Mr. Garland (Carleton).

Bill No. 70, for the relief of Elsie May Scott-Peer—Mr. Garland (Carleton).

ARCHIBALD CHARLES HENRY MORRIS

Mr. W. F. GARLAND (Carleton) moved the second reading of Bill No. 71, for the relief of Archibald Charles Henry Morris.

Mr. SPEAKER: Since there are several bills of this kind perhaps the house would agree to give second reading to them all at once.

Some hon. MEMBERS: Carried.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, with me this is a matter of principle. As I have said in this house again and again I do not believe in participating in a farce of this kind. The very least we can do is to go through the form. If we are to pass these bills in a perfunctory way, to which I have agreed in deference to the opinion of the house, it seems to me that at least each bill should be called separately, and I protest against any other way of carrying on the business of this house.

Mr. SPEAKER: Since it is not unanimous I will put the motion to the house.

Motion agreed to on division and bill read the second time.

SECOND READINGS

Bill No. 60, for the relief of Nora Kathleen Eayrs.—Mr. McPhee.

Bill No. 72, for the relief of Lillian Caroline Maud Wood.—Mr. Edwards (Waterloo South).

Bill No. 74, for the relief of George Henry Symons.—Mr. Garland (Carleton).

Bill No. 75, for the relief of Myrtle Margarette Hilton.—Mr. Garland (Carleton).

Bill No. 80, for the relief of Mary Helen Burgess.—Mr. Garland (Carleton).

Bill No. 81, for the relief of Cyril Douglas Gordon Stuart Ackerman.—Mr. Thorson.

Bill No. 82, for the relief of Wilfred Gordon Ure.—Mr. Allan.

Bill No. 83, for the relief of Herman Michael Coleman.—Mr. Taylor.

Bill No. 84, for the relief of Gertrude Ann Elizabeth Griffiths.—Mr. McPhee.

Bill No. 85, for the relief of William Francis Addison.—Mr. Black (Yukon).

Bill No. 86, for the relief of Ella Daisy Griffiths.—Mr. Bell (Hamilton).

Bill No. 87, for the relief of Thomas Edmund Appleyard.—Mr. Anderson (Halton).

Bill No. 88, for the relief of Alexander Robb Kennedy.—Mr. Hepburn.

Bill No. 89, for the relief of Constance Mary Wright.—Mr. Sanderson.

Bill No. 90, for the relief of Charlotte Gertrude Brown.—Mr. Smoke.

Bill No. 92, for the relief of Maud Alice Whipps.—Mr. Kay.

Bill No. 93, for the relief of May McFarlane.—Mr. Geary.

Bill No. 95, for the relief of Thomas Brown.—Mr. Geary.

Bill No. 96, for the relief of Iréne Adéle Maria Gregory.—Mr. McGregor.

Bill No. 100, for the relief of Dorothy Keen Rupert.—Mr. Bell (St. Antoine).

Bill No. 101, for the relief of Carrie Jane Vardon Coffin.—Mr. Bell (St. Antoine).

Bill No. 102, for the relief of Effie Laberta Corrigan.—Mr. Garland (Carleton).

Bill No. 103, for the relief of John Tremblay.—Mr. Thompson.

Bill No. 104, for the relief of Cornelius Taylor Spencer.—Mr. Bell (St. Antoine).

Bill No. 105, for the relief of Ada Emily Harris.—Mr. Bell (St. Antoine).

Bill No. 106, for the relief of Charles Gordon Stanley.—Mr. Harris.

Bill No. 111, for the relief of Otto Vernon Riepert.—Mr. Bell (St. Antoine).

Bill No. 115, for the relief of Amy Lucinda Jenkins.—Mr. Pettit.

Bill No. 118, for the relief of Mabel Robb Blaiklock.—Mr. Black (Yukon).

CHARLES ERNEST AIMÉ HOLMES

Mr. L. G. BELL (St. Antoine) moved the second reading of Bill No. 108, for the relief of Charles Ernest Aimé Holmes.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, personal representations have been made to me regarding this bill. The respondent, who speaks only French, claims that she was served with a notice in the English language. She claims further that she referred the matter to a lawyer in Montreal who told her that it was of no great consequence what action she took at the time, and the first real notice she had about the matter was when she read in the newspapers that the Senate committee was trying the case, which was treated as being uncontested. I would ask that this bill receive the special consideration of the private bills committee.

Motion agreed to on division and bill read the second time.

OTTAWA ELECTRIC RAILWAY COMPANY

Mr. E. R. E. CHEVRIER (Ottawa) moved the second reading of Bill No. 113, respecting the capital stock of the Ottawa Electric Railway Company.

Mr. HEAPS: Will the hon. gentleman kindly explain the bill?

Mr. CHEVRIER: The purpose of the bill is set out in the explanatory note. It is simply to convert the existing shares in the stock of the company, which have a par value of $100, into shares without nominal or par value.

Mr. IRVINE: Why?

Mr. SPEAKER: Carried.

Mr. HEAPS: The hon. member for Ottawa was still engaged in explaining his bill and I should like to hear a little more about it.

Mr. CHEVRIER: I submit that no further explanation is required on the second reading. The bill will be referred to the proper committee, where hon. gentlemen will have an opportunity of going fully into its merits.

Mr. HEAPS: It happens that some hon. members have not an opportunity of hearing what goes on in the committee and finding out exactly what the purpose of a bill is. It is only when the matter comes before the house that we get this opportunity. When an hon. member introduces a bill the least he can do is to explain its purport to the house.

Mr. DUFF: That was done on the first reading.

Mr. CHEVRIER: I have no objection to doing that, but I do not think this is the proper stage.

Mr. IRVINE: I understood the principle of a bill was virtually decided on the second reading. If that is so and we are voting to give a company the right to change its stock from the value of $100 a share to a no par value, I would like to know the reason why.

Mr. CHEVRIER: This is simply for the purpose of rearranging the affairs of the company. The explanation would probably be lengthy and I would rather that the matter be referred to the committee. I have sat here all this time listening to these divorce bills and said nothing, in order that this bill might be reached. I think the house ought to deal leniently with it.

Mr. CAMPBELL: Is there any change in the number of shares?

Mr. CHEVRIER: No. The bill affects nobody. When the time comes the proper explanation will be given. The bond holders are not affected and the shareholders are not affected. The railway commission has no jurisdiction in the matter. It is merely for the purpose of economy.

Mr. HEAPS: What is the purpose of issuing these shares?

Mr. CHEVRIER: They are not being issued.

Mr. SPEAKER: When an hon. member has spoken once on the second reading, he has exhausted his right to speak.

Motion agreed to on division and bill read the second time.

NATURAL RESOURCES

AGREEMENT WITH ALBERTA

The house resumed consideration of the motion of Mr. Stewart (Edmonton) for the second reading of Bill No. 17, respecting the transfer of the natural resources of Alberta.

Mr. BENNETT: Mr. Speaker, when the house rose at six o'clock I was answering a question of the Minister of the Interior (Mr. Stewart) as to where the words "for the purposes of the Dominion" were to be found. I was dealing with the province of Manitoba, and in section 30 of the Manitoba Act which was confirmed by a statute of the imperial parliament, the words will be found. In the event of their being of interest to the hon. gentleman, I will read them:

> All ungranted or waste lands in the province shall be, from and after the date of the said transfer, vested in the crown, and administered by the government of Canada for the purposes of the Dominion, subject to, and except and so far as the same may be affected by, the conditions and stipulations contained in the agreement for the surrender of Rupert's Land from the Hudson's Bay Company to Her Majesty.

That refers only to the province of Manitoba. That is the provision contained in the act creating Manitoba a province, which act was confirmed by the imperial parliament. That, of course, has the effect only of indicating that Manitoba lands were to be administered "for the purposes of Canada."

When we come to consider the position with respect to lands in Alberta and Saskatchewan, it will be observed that section 21 of the Alberta Act contains these words:

> All crown lands, mines and minerals and royalties incident thereto, and the interest of the crown in the waters within the province under the Northwest Irrigation Act, 1898, shall continue to be vested in the crown and administered by the government of Canada for the purposes of Canada, subject to the provisions of any act of the parliament of Canada with respect to road allowances and roads or trails in force immediately before the coming into force of this act, which shall apply to the said province with the substitution therein of the said province for the Northwest Territories.

That section has not been confirmed by a statute of the imperial parliament, but it will be observed that the wording used is practically the same as that used in section 30 of the Manitoba Act. It therefore follows if this parliament had complete jurisdiction to continue the lands in the crown for the purposes of the Dominion, there is outstanding on behalf of all provinces a claim that has not been satisfied with respect to the administration of those lands. That is the position beyond question.

If we proceed a step further with the transaction, we reach the point where three factors must be considered in dealing with the rights of the provinces affected, namely, Alberta and Saskatchewan, in connection with the transfer. Section 20 of the Autonomy Act provides that inasmuch as the said province will not have the public land as a source of revenue, there shall be paid by Canada certain amounts of money. That was taken by a certain school of thought to be compensation for the lands which were not given to the province. On the other hand, Sir Frederick Haultain, as premier of the Northwest Territories, contended in 1905, and prior to that date, that the lands of the Northwest Territories were held from the inception of the transfer by the Hudson's Bay Company to the crown in trust, when received by the Dominion, for the provinces that would be created as contemplated by section 146 of the British North America Act.

Mr. STEWART (Edmonton): That was where I was anxious to know if the application came in.

Mr. BENNETT: Yes. I trust that I have made myself clear to my hon. friend. That section provided for the creation of provinces from Rupert's Land and the Northwest Territories. That question is now being reserved for consideration by the courts under the provisions of the Saskatchewan statute, and the amendment suggested by the minister yesterday will enable the determination of that question, if favourable to the contentions of Saskatchewan, to inure also to the benefit of the province of Alberta. It was also contended that since 1905, at least, when the provinces were created, the lands were administered by the Dominion in trust for the provinces.

There you have three schools of thought. There you have the three claims that are made: (1) that the Dominion owns these lands for the purposes of the Dominion; (2) that these lands from the day they were transferred to the Dominion in 1870 were held by the crown in right of the Dominion in trust for the provinces to be created; (3) that the lands in any event were held in trust by the crown in right of the Dominion for the provinces since their creation in 1905.

I shall not present argument in support of any of those views, because that question is now a matter for adjudication by the courts. Before leaving that, may I venture to point out that my hon. friend the Minister of Finance (Mr. Dunning) always took the view that a province was not worthy of the name of province if it did not have its natural resources and public domain, yet the premier with whom he served in the first instance expressed himself in 1910 in these words:

> Am I going too far when I suggest a doubt as to the sanity of any Saskatchewan man who complains about our land terms?

Mr. DUNNING: Who was that?

Mr. BENNETT: That was Mr. Scott.

Mr. DUNNING: My hon. friend is wrong in one particular. I did not serve under Mr. Scott.

Mr. BENNETT: I was under the impression that during the last six months of Mr. Scott's administration my hon. friend was a member of that administration.

Mr. DUNNING: No.

Mr. BENNETT: Then I will put it this way. He did not serve with Mr. Scott, but Mr. Scott discovered him.

Mr. YOUNG (Weyburn): A great discovery.

Mr. BENNETT: The hon. member for Weyburn says that it was some discovery.

Some hon. MEMBERS: A great discovery.

Mr. BENNETT: There has always been some question whether Columbus did discover America.

Mr. DUNNING: I would consider it an honour to have been discovered by Mr. Scott.

Mr. BENNETT: The hon. gentleman I know is very modest, and while he considers it a great honour to have been discovered by Mr. Scott, I for one will say that it was quite right that he should have been discovered.

I have given the view that was expressed by Mr. Scott. Equally insistent language was used by other provincial ministers in western Canada. Under the circumstances that I have pointed out, Sir Robert Borden was dealing with this problem in the manner that I have indicated when the war broke out in 1914.

That suspended negotiations, but it will be within the memory of members of this house that when the Union government came into power it began to negotiate, as soon as the war was over, with the western provinces for the settlement of this question. The Minister of Railways and Canals (Mr. Crerar), who was a member of the Union administration, will be able, if he so desires, to enlighten this house as to the negotiations that took place looking towards a settlement of that much vexed question. In 1921 the Meighen administration went out of power—

Mr. STEWART (Edmonton): May I ask my hon. friend a question at that point?—because I think it is important. Will he say that the federal government under the leadership of Sir Robert Borden, or later under the leadership of Right Hon. Arthur Meighen, ever at any time made an offer of any kind to the provinces for the settlement of the natural resources question?

Mr. BENNETT: The Minister of the Interior has asked me if they ever made an offer. I should say that the answer, so far as I know, is in the negative, but so far as I know they had conferences and considered proposals that came from the provinces, and negotiations took place between a committee of the cabinet at Ottawa and the western premiers. The hon. gentleman himself was premier of one of the western provinces for a time, and knows of the negotiations that took place between a subcommittee of the cabinet at Ottawa and the western premiers. It is also within the memory of the minister, although he was succeeded by the farmers' administration in 1921, that further negotiations took place between the Union government and the western provinces looking towards a settlement of this question. This serves no purpose except to say that the negotiations did not result in any settlement. That I think is a fair way of putting it. The reading by the Minister of Justice from Mr. Meighen's speech in parliament in 1921, indicates the difficulties that he was experiencing in endeavouring to bring about a solution of the difficulties.

It is quite clear that had the offer that was made, not by the federal authorities, but by the provinces, in 1913, been adopted, it would have been less favourable to the provinces than the agreements that are now being considered by this house. It is also quite clear that at that time the revenue of this country was about one-third of what it now is, and the benefits that would have accrued to the provinces at that time as compared with to-day bear about the same relation as the revenue of the country at that time bears to the revenue to-day. Roughly speaking, our revenue is three times as great now as it then was. The matter then rested, as I have indicated, and when the present government came into power, the Prime Minister of this country and his government took the matter up with the various provinces looking towards a solution of the difficulties.

The Duncan commission was appointed to deal with problems peculiar to the maritime provinces, and while the report of that commission does not in terms state that the claim to compensation for the lands previously owned by the Hudson's Bay Company, a portion of which had been given to Quebec, Manitoba and Ontario, should necessarily be a deciding factor, Sir Andrew Rae Duncan did make it perfectly clear that that claim should be considered in the final adjustment of the financial compensation to be awarded to the maritime provinces. That question has not yet been disposed of. That claim still remains for what it may be worth. It has not in any sense been adjudicated upon. There is no claim made, as was suggested this afternoon, for western lands. The claim was for financial or monetary benefits because their boundaries did not lie contiguous to the boundaries of any of the western lands, and by western lands I mean lands referred to in the British North America Act and succeeding statutes as Rupert's Land and the Northwest Territories. Because they had no lands in the maritime province contiguous to those areas, they made a claim to financial consideration by the federal authorities, as indicated by the letter of the late Premier Murray and the premiers of the other maritime provinces.

We now have the matter dealt with by this administration in the form of three agreements. The agreement with Manitoba has been considered and passed by this house. That agreement, of course, is in a somewhat different position from the agreements with respect to the other two western provinces because the statute creating the province of Manitoba was confirmed by an act of the imperial parliament. With respect to the provinces of Alberta and Saskatchewan, certain legal questions must be determined as to whether or not these lands have attached to them any implied trust, and whether or not there shall be compensation awarded to the provinces for the lands that were alienated both before and after 1905. All these questions are being dealt with by the courts. We have to consider this agreement between the province of Alberta and the Dominion of

Canada, and I shall proceed to consider it for a few moments only, in the terms in which it expresses a settlement of the difficulties.

In the first place, it is not usual to settle constitutional matters in this way. It will perhaps be recalled by this house that section 6 of the amending act to the British North America Act provided that when parliament had exercised its power to create a province, it had exhausted its power, and no further action by this parliament is possible with respect to constitutional questions, unless it be with respect to insignificant matters. These constitutional questions must be dealt with by the imperial parliament. In the event of there being any interest in the matter by any members of the house, they will find the provision that I have indicated in section 6 of the amending statute of 1871, which as a matter of fact gave the right to the Dominion to create provinces. Perhaps I had better read it:

> Except as provided by the third section of this act, it shall not be competent for the parliament of Canada to alter the provisions of the last mentioned act of the said parliament, in so far as it relates to the province of Manitoba, or of any other act hereafter establishing new provinces in the said Dominion, subject always to the right of the legislature of the province of Manitoba to alter from time to time the provisions of any law respecting the qualification of electors and members of the legislative assembly, and to make laws respecting elections in the said province.

That is the reason why this parliament, having exercised its jurisdiction by creating Alberta and Saskatchewan, has exhausted its powers. No power now rests in this parliament with respect to this matter; that power now rests in the imperial parliament, and the imperial parliament alone. It has not been customary nor has it been the constitutional practice in days gone by to prepare agreements and have them ratified by the legislatures and then confirmed by the imperial parliament as constitutional pacts. I venture to think that when the draftsmen who have to deal with these matters in the old land come to prepare the necessary legislation they will regard it as being somewhat peculiar, for certainly it has never been done in this way before; and the effect of it, I think must be apparent to the most casual reader, to say nothing of a parliamentary draftsman.

Here we have, in contravention of the provisions of two statutes of the imperial parliament, a province and the Dominion entering into an agreement which is wholly beyond the legal competence of either. That is so declared by the imperial parliament itself in two statutes. Now the Dominion and the province, neither having the constitutional power, have made a contract, and that contract—which, of course is illegal as it now stands—is to be made legal by virtue of an imperial act. That is the first question which we must consider. I say the usual method would have been to have prepared an address in accordance with the terms of the British North America Act itself to the king in council at Westminster, and, following that, to have prepared the necessary amendments to the British North America Act, which would be known as the British North America Act, 1930. However, another course has been pursued, and I am taking this opportunity to point out to the house that that course never has been taken before. It is not a method that has ever been pursued before in dealing with a problem of this kind so far as I have been able to see, and while it may work out satisfactorily, I shall presently point out two or three reasons that very gravely concern me, because I cannot but foresee great difficulties—difficulties that cannot be readily overcome unless something is done which has not yet been suggested by the government or by those who have been speaking for it.

Once more I desire to repeat to this house that the Alberta agreement represents a contract invalid and illegal, declared to be such by the British North America Act of 1867 and 1871, because it purports to amend the constitution which the British North America Act of 1871 says this parliament cannot do. It therefore follows—once more I repeat this—that the only method by which this change in the constitution can be effected is by a statute of the imperial parliament, in this case, validating an agreement which is illegal per se, because it is the exercise by the province and the Dominion of powers which they do not possess. And in my judgment it is not the method by which this question should be determined.

But now let us look at the agreement itself, an agreement which, as I have said, is in its terms illegal at the moment. I am going to ask the Minister of Justice (Mr. Lapointe) for some explanation of the preamble, which will be found on page two of the agreement in these words:

> And whereas it is desirable that the province should be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources as from its entrance into confederation in 1905.

What does the Minister of the Interior mean when he says "as from its entrance into confederation in 1905?"

Mr. LAPOINTE: As a province.

Mr. BENNETT: My friend will observe that it does not say that.

Mr. LAPOINTE: It means that.

Mr. BENNETT: It says:

—that the province should be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources as from its entrance into confederation in 1905.

Mr. LAPOINTE: As a province.

Mr. BENNETT: But it does not say that. It says:

—from its entrance into confederation in 1905.

I do recall that in spite of the fact that the premier of Alberta and the representatives of the province of Saskatchewan sought to have those words changed, this government was adamant. They said they would not do so. They said under no circumstances would they change those words. What sinister meaning is behind that? That is the question. I say to the Minister of Justice that he of all men, the Attorney General of this Dominion, knows that to make a declaration in the preamble of a statute which is historically untrue is an insult to the imperial parliament.

Mr. LAPOINTE: It is not.

Mr. BENNETT: The hon. gentleman knows it is historically untrue.

Mr. LAPOINTE: Not at all. The province could not enter confederation as a province before it was born, surely.

Mr. BENNETT: Surely my hon. friend realizes that that is not what this preamble says.

Mr. LAPOINTE: That is exactly what it says.

Mr. BENNETT: Once more may I remind him that the language which counts here is not what is written on the fleshy tablets of his mind, but what is on this sheet, and it is this:

And whereas it is desirable that the province should be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources as from its entrance into confederation in 1905;

Mr. LAPOINTE: Its, the province's entrance.

Mr. BENNETT: But it does not say that. Let me remind him what is said in the Alberta Act passed by this parliament in 1905. It will be found that the preamble of that statute is in these words:

Whereas in and by the British North America Act of 1871, being chapter 28 of the Acts of the parliament of the United Kingdom passed in the session thereof held in the thirty-fourth and thirty-fifth years of the reign of Her late Majesty Queen Victoria, it is enacted that the parliament of Canada may from time to time establish new provinces in any territories forming for the time being part of the Dominion of Canada,—

So that the area now called Alberta was as a basis for the exercise of parliamentary powers of this house a part of the Dominion of Canada.

Mr. DUNNING: Of course.

Mr. BENNETT: Then how did it only enter the confederation in 1905? That is the point.

Mr. DUNNING: Oh, well—

Mr. BENNETT: The language is:

—but not included in any province thereof, and may, at the time of such establishment, make provision for the constitution and administration of any such province, and for the passing of laws for the peace, order and good government of such province, and for its representation in the said parliament of Canada;

And whereas it is expedient to establish as a province the territory hereinafter described, and to make provision for the government thereof.

It will be found that the same language occurs in the exercise of the powers by the sovereign after the surrender in granting the lands to Canada, because it will be observed that when that power was exercised it was said that these lands were lands that were to become part of the Dominion of Canada. In 1871 they became part of the Dominion of Canada, which is the confederation. Now we are told in the preamble to the statute that Alberta became part of the Dominion from its entrance into confederation in 1905. As a matter of fact Alberta has been a part of the confederation since 1870, but was created a province in 1905. I shall point out presently that one of the difficulties in dealing with this matter of agreement is that the provinces have no power to refuse what the federal government may offer, and so in the final analysis must accept or refuse what is offered. Why could they not say from the date of its being created a province in 1905, which would have been historically true and everybody would have understood it? For some reason or other the words used are held to be sacred. That is the difficulty which confronts every lawyer in this country who reads the preamble, and all those who have to deal with it wonder why it should be so. In the Saskatchewan

agreement it will be observed that in the preamble there are words which differ from the original preamble. In the second part of it are these words—and once more I suggest to the minister it is a rather old circumstance that while in one agreement they were able to get this historic fact correct, in the other it is inaccurate. In answer to the question of the hon. gentleman I would ask him to turn to the bottom of page 2 of the Saskatchewan agreement. After the recital I have indicated he will find the following:

And moreover that the province is entitled to be and should be placed in a position of equality with the other provinces of confederation with respect to its natural resources as from the 15th day of July, 1870, when Rupert's Land and the Northwestern Territory were admitted into and became part of the Dominion of Canada.

So that now we have the admission that the provinces of Saskatchewan and Alberta were part of the Dominion of Canada since the 15th of July 1870, although in the preamble in connection with Alberta—

Mr. DUNNING: My hon. friend has not read it all.

Mr. BENNETT: Shall I read it again? I remember that in days long past there was one known as doubting Thomas, and his tribe has not yet departed, which is well for the world. I shall read it again:

And whereas the government of the province contends that before the province was constituted and entered into—

Mr. DUNNING: Exactly.

Mr. BENNETT: That has not anything to do with it; I am talking about the Saskatchewan agreement.

And whereas the government of the province contends that before the province was constituted and entered into confederation as aforesaid the parliament of Canada was not competent to enact that the natural resources within the area now included within the boundaries of the province should vest in the crown and be administered by the government of Canada for the purposes of Canada and was not entitled to administer the said natural resources otherwise than for the benefit of the residents within the said area, and moreover that the province is entitled to be and should be placed in a position of equality with the other provinces of confederation with respect to its natural resources as from the 15th day of July, 1870, when Rupert's Land and the Northwestern Territory were admitted into and became part of the Dominion of Canada.

That is confederation.

Mr. DUNNING: That is merely a recital of the contention of the provinces.

[Mr. Bennett.]

Mr. BENNETT: Yes, and it continues:

And whereas it has been agreed between Canada and the said province that the said section of the Saskatchewan act should be modified and that provision should be made for the determination of the respective rights and obligations of Canada and the province as herein set out;

In the one instance you recognize the historic fact and in the other instance you have the denial of an historic fact. I only suggest that it would be difficult for a person in the old land to understand why in one breath we should deny the historic fact of confederation as applied to the province of Alberta and assert later that the province of Saskatchewan became part of the Dominion of Canada in 1870. That is the first point to which I desire to direct attention in respect to the recital. The act, roughly, divides itself into three parts; first, there is the part of the act which deals with the action of natural resources; secondly, there is that part which deals with reservations from the exercise of the power, and lastly we have the specific dealing with the question of waters and water rights, etc.

Mr. MACKENZIE KING: The hon. gentleman has called it an act; he means an agreement.

Mr. BENNETT: I meant to call it an agreement. First, there is the grant to the provinces. The grant to the provinces is in section 1, and here again, as well as in the recital, there is an inaccurate statement. These provinces are not being placed on equality with the older provinces of confederation. These provinces are not being placed on an equal basis with New Brunswick, Nova Scotia, Quebec or Ontario, as I shall presently point out, in matters of profound importance. The people who live within these provinces are in an entirely different position, and there is not the free and unrestrained power to deal with their assets that the other provinces have.

Let us look at this part of the agreement—transfer of public lands generally:

In order that the province may be in the same position as the original provinces of confederation are in virtue of section 109—

Section 109 deals with the land, mines, minerals and royalties. In the province of Quebec all these are entirely at the disposal of the government which sits at Quebec. In the province of Alberta, notwithstanding this legislation, millions of acres of land and the minerals contained therein are kept within the exclusive legislative jurisdiction of this Dominion and are not passed over to the province. Therefore this statement is not

only historically inaccurate but it is inaccurate in fact. The parks are retained, and not only are the parks retained but the mines and minerals in the park lands are retained to the Dominion. What is worse still and something which it must be difficult for a Liberal administration to do, is to say that the exclusive legislative jurisdiction with respect to a territory larger than the province of Prince Edward Island which is situated in the province of Alberta shall rest with this parliament regardless of the views which may be entertained by the legislatures of the provinces.

Mr. DUNNING: You are referring to the parks.

Mr. BENNETT: Yes, and other lands to which I shall presently refer. I will not do more than point out just what the facts are until we come to the next point, one which I consider to be of some importance in consideration of this agreement; I refer to the section which deals with water. The question of school lands and the question of other portions of the territory have been dealt with by a constitutional statute which has been passed by this parliament, the validity of which has been challenged by one of the provinces, and a stated case as to the validity of the power which was exercised by this parliament is now left open for decision. I shall express no opinion with respect to it, because it is not a matter which would seem to be fairly within the discussion in connection with this agreement.

Let us proceed a step further to the clause dealing with water. In this connection I invite the minister's most careful consideration. I ask the Minister of Justice (Mr. Lapointe) and the Solicitor General (Mr. Cannon) to look at this matter with as much care as possible. May I direct the attention of the house to the Irrigation Act, section 6:

> The property in and the right to the use of all the water at any time in any river, stream, watercourse, lake, creek, spring, ravine, canyon, lagoon, swamp, marsh or other body of water shall, for the purposes of this act, be deemed to be vested in the crown, unless and until and except only so far as some right therein, or to the use thereof, inconsistent with the right of the crown, and which is not a public right or a right common to the public, is established.
>
> 2. No person shall divert or use any water from, and no person shall construct or cause to be constructed any dam or other works for the impounding of water in any river, stream, watercourse, lake, creek, spring, ravine, canyon, lagoon, swamp, marsh, or other body of water, otherwise than under the provisions of this act, except in the exercise of a legal right existing at the time of such diversion or use or construction.

Now, Mr. Speaker, that is the Irrigation Act of Canada. That statute is not mentioned in this document as being repealed and that statute is not common to the provinces; it has no place in the provinces of Ontario and Quebec, for there the water-powers and the waters, apart from those which belong to individuals by right of the ownership of the adjoining soil, belong to the crown in the right of the province. The Irrigation Act of Canada provides that all the waters, whether they be small streams, whether they be lakes or waterfalls, belong to the crown in the right of the Dominion, and this Dominion is administering those water-powers from time to time. Under the provisions of the Water Power act and other acts in that behalf, as well as the Irrigation Act, the exercise of that administrative power, vested as it has been in the government of the Dominion, has been exercised from time to time and I point out that I cannot see how we are in any sense handing these over to the province, because under section 8 of the bill you find these words and these only:

> Canada agrees that the provision contained in section four of the Dominion Water Power Act, being chapter two hundred and ten of the revised statutes of Canada, 1927, that every undertaking under the said act is declared to be a work for the general advantage of Canada, shall stand repealed as from the date of the coming into force of this agreement in so far as the same applies to undertakings within the province.

Although they still have the power to re-enact them. Now, Mr. Speaker, I submit this to the law officers of the crown: Do they think they can repeal a statute in that way? Does anyone think for a moment that by an agreement between a province and the Dominion, in the exercise of powers wholly beyond their competence, you can repeal a statute of the Dominion of Canada? That is what this proposal is. The right hon. Prime Minister is not a lawyer, but he has been good enough to follow what I am saying, and I say this in no disputatious sense, because I am desirous that this agreement should vest in the provinces all their resources, all their water-powers and all their assets; that is what I want to see done. It is my duty, since I have been more or less familiar with this matter for a quarter of a century, to direct attention to what I conceive to be the situation as it stands in this agreement. I put this to the house: How can you repeal a statute of the Dominion of Canada by an agreement made between a province and the Dominion in the exercise of an invalid power?

Mr. HANSON: It is ridiculous.

Mr. BENNETT: As my hon. friend says, it is ridiculous. You cannot say it stands repealed, because a mere agreement between a province and the Dominion that something is to stand repealed does not accomplish the repeal.

Mr. CANNON: We do not contend that, either.

Mr. BENNETT: Then it still stands, and if it still stands the water powers are not vested in the province. That is exactly my difficulty.

Mr. CANNON: Every provision of this agreement will have to be implemented by legislation, when legislation is necessary. There is no doubt about that.

Mr. BENNETT: It is just that difficulty to which I am endeavouring to direct the attention of the house. The validation of this agreement by the imperial parliament does not affect that purpose. That is the point, for the imperial parliament...

Mr. CANNON: It makes our obligation all the more binding.

Mr. BENNETT: The imperial parliament having conferred upon this parliament, under the British North America Act, the power to enact the statute in question it can be repealed only by this parliament.

Mr. CANNON: There is no doubt about that.

Mr. BENNETT: Then I submit that this agreement, so far as section 8 is concerned, is worse than meaningless; it is deceptive.

Mr. CANNON: It only shows what is the intention of the parties.

Mr. BENNETT: But surely my hon. friend hardly means that; he would hardly say that in a court of law. The effectuation of a purpose cannot be brought about by saying the intention of the parties is so and so, unless words are used to effectuate the intention.

Mr. CANNON: The intention must be made effective by legislation. My hon. friend would not contend for one moment that we should pass the legislation first and the agreement later.

Mr. BENNETT: I am trying to point out to my hon. friend that the very difficulty which he is now mentioning is the difficulty to which I am directing the attention of the house, and not only is that so with respect to this section but it is also so with respect to several other sections to which I shall refer later. If the observations of the Solicitor General are to be taken as indicating the real intention in the preparation of the agreement, then of course it is unnecessary for me to do more than indicate that unless there is legislation, not of the imperial parliament but of this parliament, this agreement is of no avail. Yet the statement is being made that the water powers are vested in the provinces.

Mr. CANNON: That is, we have agreed to do so.

Mr. BENNETT: Yes, but wherein have we agreed to it? All we say in section 8 is this:

> Canada agrees that the provision contained in section four of the Dominion Water Power Act, being chapter two hundred and ten of the revised statutes of Canada, 1927, that every undertaking under the said act is declared to be a work for the general advantage of Canada, shall stand repealed. . . .

That does not confer upon the provinces the water powers; it only says they shall be no longer regarded as works for the general benefit of Canada. That is all that stands repealed, and therefore so far as this agreement is concerned the water under the irrigation Act and under the Dominion Water Power Act still remains the property of the Dominion and, if administered at all, must be administered by the Dominion and not by the province.

Mr. CANNON: It is possible that further legislation is necessary.

Mr. BENNETT: That is the case I am endeavouring to make to the house at the moment, and if the Solicitor General says that, he has quite answered my objection. However I do contend that the agreement is not adequate for the purposes intended, because it should say, "Canada covenants and agrees, upon the confirmation of this statute, to repeal—" then the Irrigation Act should be named and also the Dominion Water Power Act and sections of the Alberta Act. I know what my hon. friend is going to refer to—

Mr. CANNON: In the preamble we have agreed to carry out the provisions of the agreement.

Mr. BENNETT: I know that.

Mr. CANNON: We have agreed to that, whether we do it by legislation or otherwise, but the agreement must be approved first, as my hon. friend will admit.

Mr. BENNETT: My whole point—and I am sure my hon. friend sees it, from what he has just said—is this: The agreement is

faulty in that it does not contain a covenant on the part of parliament to do something. The preamble is not an operative part of the agreement, and the covenant is a covenant only that we have agreed that the declaration that these works are for the general benefit of Canada shall stand repealed. However, the mere stating that this section should stand repealed does not vest these waters and water powers in the provinces, either potentially or actually. That is the position.

Before I leave that point I do desire to direct the attention of the minister very carefully once more to the water section, for when this question was first raised, after I read the agreement I put it to some of those who are interested as to the ownership of the water powers, and the answer made was that the vesting of the lands in the crown vested the water powers that were incidental to the land. That was the answer given but unfortunately, while that would be so in a common law country, it is not so where we have legislation that vest the water powers in the crown in the right of the Dominion as distinguished from the lands themselves, which is done by the Irrigation Act. It must be remembered that the Irrigation Act of Canada is a law very peculiar to western Canada; it has no operation, for instance, in Ontario or Quebec or yet in British Columbia. The Irrigation Act has operation only in the three provinces of Manitoba, Saskatchewan and Alberta, and the reason for its passage was that since water was scarce in that country and was required for irrigation purposes, the crown treated it as a precious mineral and vested the property in the water in the crown, to be administered by the Dominion, because at that time there were no provincial authorities to administer that act, and it was not left to the territorial body. Hence, even to-day when you ask for a licence for the purpose of sluicing water from a small stream down to the lowlands in the provinces of Alberta or Saskatchewan, that licence must be obtained from the Department of the Interior, as the minister knows.

My suggestion to the government is that if we are to deal with these matters as we should deal with them, we must at least see to it that the legislation based upon the agreement goes further than the agreement, and it will be within the memory of hon. gentlemen how loudly complaint was made of that being done in connection with confederation in 1865 and 1866. Perhaps hon. gentlemen will recall the historic parallel and departure from instructions illustrated by the British North America Act. That act in its present state is somewhat different from the agreement which was arrived at before it was drafted. With respect to these water powers, I say to the law officers of the crown that as the matter now stands, unless there is by imperial legislation something more than a mere ratification of the agreement, no court of law will hold that these water powers have been vested in the provinces. That is my difficulty and I am anxious to have it overcome. Any suggestions which I offer are not put forth in the sense of carping criticism, but from a desire to see come about in fact and not in name the purpose which I have had for over twenty-five years.

The Indian reserves are said still to be vested in the crown in the right of the Dominion, and the question raised by Sir Oliver Mowat, and which was taken to the privy council, that lands which had ceased to be Indian lands were vested in the province, seems to me might well have been incorporated in this agreement. That is the law in effect at present in the province of Ontario.

Mr. STEWART (Edmonton): It is the same exactly; we have an agreement with the province of Ontario.

Mr. BENNETT: My friend is referring to one thing and I am referring to another. I am talking about lands no longer required for Indian purposes. In one instance the province of Ontario and the Dominion each claimed those lands, and the case went to the privy council, which decided that when such lands were no longer Indian lands they went to the province and not to the crown in the right of the Dominion. I submit that that should have been made clear in this instance because we are legislating, not for to-day, or twenty-five or fifty years hence, but for all time. The Indians are gradually becoming fewer in number—

Mr. STEWART (Edmonton): My hon. friend is not quite right in that statement.

Mr. BENNETT: I can only say that in the locality in which I live they are becoming fewer,—on the reserve nearby. I assure my hon. friend that I have no desire to refer to the rapid disappearance of the Liberals in that section of the country; I refer to the reservations. I would point out that that matter has not been dealt with by the agreement.

In discussing the previous agreement I referred to the national parks, and I do not intend to traverse that ground again beyond merely saying that there are few people in

Canada who do not rejoice at the setting up of national parks. Whether that be done in the province of British Columbia or in the province of Nova Scotia, the people are very proud to think that we are anticipating the demand of the future by setting aside areas for national parks. Such areas provide recreation grounds not only for our own people but to the people of other countries. They provide attractive resorts to which numbers of people come from various parts of the world, and such parks are very helpful to this country, not only because of the money expended therein but because it makes this country better known. Any expenditure brought about through these parks is a factor in reducing adverse exchange balances with other countries of the world. Rejoicing as we all do in the establishment of such parks, the fact remains that the Dominion has set aside these areas and has asked that they be vested in the crown in the right of the Dominion. One can readily understand that where a government expends public moneys upon such parks they should have some say, not only as to how that money is to be expended, but as to how the parks are to be managed and operated.

In the province of Ontario there is a great park at Niagara Falls. That province provides, through a commission, the money necessary to conduct the operations of the park. But that particular park belongs to the people of Ontario, as distinguished we will say, from the Rocky Mountains park at Banff, which belongs to the people of Canada and has belonged to them since the acquisition of the Northwest Territories. In one case the money is expended by the province, in the other it is expended by the Dominion; in one case the provincial authorities are responsible for the administration, in the other case the federal authorities are responsible. When we create in the province a separate area not subject to the laws of the province, in my judgment we are destroying the whole scheme of confederation. Just think what it would mean to say that in the centre of that aisle which we will say is subject to the legislative power of Alberta, that desk at which sits a reporter, should be subject not to the jurisdiction of the legislature of the province but to the jurisdiction of the parliament of Canada. It is a little Canada within a province, a territory subject to the laws of the Dominion. Is that in accordance with the words of the preamble? Is that a just and fair exercise of our powers? The words used are very strange language to be used by this parliament in 1930. Paragraph 14 reads:

> The parks mentioned in the schedule hereto shall continue as national parks and the land included therein,

And section 15 reads:

> The parliament of Canada shall have exclusive legislative jurisdiction within the whole area included within the outer boundaries of each of the said parks.

The outer boundaries of the Rocky Mountains park near Banff extend as far east as Canmore, and they extend west into the province of British Columbia. Within that park are many sections which have been alienated. Lands have been sold and little communities have grown up; villages and towns have been created, townsites registered and lots sold therein, and now we are told that those areas shall be subject to the exclusive legislative jurisdiction of the parliament of Canada. I protest, sir, against the exercise of that power. The same arrangement which was made in other instances could have been made with the provinces of Alberta and Saskatchewan, the same provisions with respect to national parks which have prevailed since 1905, when the provinces of Alberta and Saskatchewan were created, might well have continued to be made.

Although I say it with some hesitancy, I must consider as monstrous the exercise of exclusive power by this parliament over these areas. Hon. members will be amazed to discover that the parks act deals with the smallest details of municipal government. That act deals with the form of structures which may be erected, it prohibits the putting up of tents; all such matters must be agreeable to those who are charged by the federal government with administrative power. Only certain types of lamps and lights are permitted; all such things are entirely within the power of this government. No municipal institutions are allowed to be created. The regulations made here at Ottawa and approved by the governor in council govern those communities, although in some instances the population may be from one to two thousand people.

Would any hon. member from Ontario or Quebec tolerate for a single minute this government at Ottawa having control over the lives, habits and let me say the environment and surroundings of people living within their provincial areas? Through an arrangement between the provincial and federal governments there exists at the present time in the town of Banff a liquor vendor's store. A structure of any kind cannot be built in that town unless the plan has been antecedently

approved by the department at Ottawa. It has first to go before the parks commission. and from there it is sent down to Ottawa, and I know of delays which have extended into months. Refusals have been made in cases where a man has desired to erect a little building for his own comfort.

It is said that these provinces are being put upon an equality with the other provinces of Canada. I am sure that upon more mature consideration it will be found unnecessary to say that this parliament shall have exclusive legislative jurisdiction over any particular park areas. Then all you have to do is a very simple thing: do as has been done in other countries and communities; do as is done here in the city of Ottawa if you will, where arrangements are made between the civic and the federal authorities or between the provincial and the federal authorities for the purpose of ensuring that measure of regulation which is necessary to protect our parks as a national asset. Surely that can be done without taking from the legislature of Alberta the power even to tax. The agreement does not stop at the point I have indicated, but it also deals with the vital question of the power to tax. If you will look at the closing paragraphs, you will find if there is a conflict between the province and the Dominion all general taxing acts passed by the province shall apply within the same unless expressly excluded from application therein—by whom? Not by the province, but by the authority of parliament. That is, if Alberta passes a taxing act applicable to the territory, prima facie it applies, and not unless the province determines otherwise, but unless parliament determines otherwise.

With respect to the question of mines and minerals that exist under the surface, to have granted the surface to the crown in right of the Dominion, one can understand, but to declare that mines and minerals within that area shall belong to the crown in right of the Dominion is but to continue the administration thousands of miles distant of what may be one of the most valuable and priceless assets of the province. The idea of the scenic character of the country being destroyed is something so far-fetched that when the estimates are under consideration I shall point out what is happening in at least one section of these parks. It is not necessary to do this to-day, because it arises in connection with the raising of the level of the water in a lake. The minister has recently received communications in that regard. But in this agreement we have said that this vast territory comprising millions of acres of land with all the people who may one day be in it—and there are a few thousands there now—is to be subject to the exclusive jurisdiction of the parliament of Canada and the provinces are deprived of all legislative control except such as they may exercise unless the government at Ottawa otherwise determines. That is all I shall say with regard to that.

The other clauses are ones that deal with financial terms and other matters that are, of course, of importance because they are details in connection with the working out of an agreement. Let us come now to the last paragraph of the agreement, where a new principle is set up. It reads:

> The foregoing provisions of this agreement may be varied by agreement confirmed by concurrent statutes of the parliament of Canada and the legislature of the province.

That is a new theory. I hope the law officers of the crown realize that the effect of that is to say we may hereafter amend the British North America Act, for the act of 1930 when passed by the imperial parliament will become a constitutional statute governing the provinces of Alberta and Saskatchewan. Now we are told that if parliament and the provincial legislatures agree, they may amend this agreement. This agreement will of course be embodied in some form in a statute, so the effect is that with respect to Saskatchewan and Alberta there may be—and this is entirely at variance with section 6 of the act of 1871—an amendment of the constitution in the manner I have indicated. It is not usual to make amendments to the constitution in this way; it has never heretofore been done. It is not the method so far pursued in any country I know of. In South Africa, where they may amend their constitution, the method is defined by statute. In Australia, where their constitution may be amended, the method is very complicated. Under this agreement by a bald majority in the legislature of either Saskatchewan or Alberta and a bald majority in this parliament, the constitution may be amended because it is said that the terms of this agreement may be amended and the terms of this agreement constitute constitutional sections which, under section 6 of the Act of 1871, require to be dealt with by the imperial parliament. In other words, an agreement, wholly illegal as it now stands, between a province and the Dominion, is by ratification to confer upon a bald majority in the Dominion parliament and in the provincial legislature, the right to effect constitutional changes. I think that cannot have been intended, but anyone who takes the trouble to read the document will, I am sure, agree that that is the legal effect of it.

One further point. As I look at the agreement—and I commend this again to the law officers of the crown—sections 20 and 21 of the Alberta Act of 1905 are of course sections that will no longer have application. Clearly, they cannot be repealed by this parliament and there should be some legislation by the imperial authorities repealing those sections. The agreement does not make any such provision nor does it in any sense deal with the matter even inferentially. I will not take up the time of the house to deal at greater length with details, but I desire to place on record a protest against this form of dealing with a problem which is so complex and which, I submit, could be handled with greater simplicity. It could be dealt with in a manner that at least would have left some power to this parliament. I suppose it is useless for me to say to the house what it already knows, namely, that we have no power to amend this agreement.

Mr. MACKENZIE KING: Parliament has.

Mr. BENNETT: Pardon me. We have no power to amend it for the simple and obvious reason that it is a contract and there can be no variation of the terms of the contract save by the consent of both parties. Inasmuch as both parties are no longer available for the purpose of making the changes, how are they to be effected?

Mr. LAPOINTE: It would mean a delay.

Mr. BENNETT: But I say we have no power as a parliament to make the changes. I should like to make to the government a suggestion which I think may to some extent meet the difficulty. The government may not be disposed to agree to my suggestion. If they are certain that they desire to effectuate the ends mentioned by the Solicitor General and by the Minister of Justice, it will be competent to incorporate in the statute of the imperial parliament sections which will carry out the purposes intended. That was what was done once or twice, but when you have resort to an agreement you put yourself in a rather difficult position if you depart from it. The suggestion, of course, involves, if my submissions are warranted, a departure from the principle of contract, for contract involves a consensus ad idem, an agreement of minds. It involves a discussion of the details. It involves more; it involves the agreement representing the minds of both parties. It involves, of course, that both parties shall meet and their minds shall come to an agreement, and in the absence of any such arrangement it seems to me this might be effected by the executive, because if the intention is to do as has been said, there can be no doubt of the power of the executive of the province and the Dominion to effectuate that purpose.

I for one am very glad indeed that the time has come when an agreement has been arrived at between the Dominion and the provinces. It is perhaps one of the ironies of political life that the hon. Minister of the Interior, who moved the second reading of this bill tonight validating the agreement made with the province of Alberta, is dealing with a province that is no longer governed by the Liberal party but by a government that represents an independent group that is neither Liberal nor Conservative. He is also dealing with the province of Saskatchewan, which, despite what has been said, has not even a Conservative government administering its affairs, there having been, as hon. gentlemen well know, a larger number of Liberals elected at the last provincial election in Saskatchewan than there were Conservatives, and the ten members who control the destinies of that legislature are either Independents or Progressives. So that by the turn of the political wheel the minister whose party asserted only a quarter of a century ago, which is nothing in the life of a country, that the control of the natural resources of a province never should be vested in the western provinces and whose Minister of the Interior at that time loudly proclaimed from the housetops that money was better than lands and that administration of these resources far removed from the people of the province themselves was much better than administration at home—that minister, I say, now moves the second reading of an agreement that will vest in the people of the province of Alberta the administration and control of the natural resources within the province—the mines and minerals in part, the water powers not at all, the park areas so far as their soil is concerned not at all, the legislative jurisdiction not at all—and he now solemnly declares without a smile upon his face that he is placing the province of Alberta upon an equality with the other provinces of confederation. Such is the irony of political life. While I rejoice at this accomplishment, I can only say that I am perfectly certain that one day again this parliament will be asked in the exercise of its powers, by address to the imperial parliament or by some other method that may then prevail, to effectuate what the preamble of the bill says, the placing of the province of Alberta upon an equality with the other provinces with respect

to its natural resources. Until that is done, I for one accept with great pleasure and gladness this measure of justice that is now tardily done, not the giving away of millions to the province, but vesting in the people of Alberta and Saskatchewan those rights and powers and privileges and those natural resources which were their due when they became provinces of this confederation.

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, I shall not attempt to follow in detail the very able legal argument, largely with respect to procedure, to which we have just listened. I am very much more concerned, as I am sure every member from the provinces of Manitoba, Saskatchewan and Alberta is also, with the historical significance of what is now taking place in this parliament in the passing of this legislation affecting the natural resources of the three prairie provinces.

For a great number of years, since the provinces were formed, speaking for myself, for the whole of my political life, and before that, during all the period since I became interested in public matters, I have believed that the people of the western provinces as provincial entities should control the natural resources within their borders in the same manner as the natural resources of the other provinces of Canada are controlled by the people of those provinces. In a measure the western provinces have occupied with respect to the control of their resources a position of inferiority as compared with the other provinces of confederation. That inferiority is being wiped out by the legislation which is now under consideration by this parliament, and when this legislation is passed we shall be in the position of having a confederation of nine provinces all of which control the public domain within their borders in the same manner. This I say is an important step forward in the historical development of this confederation of provinces.

I welcome it particularly, Mr. Speaker, because it has been my fortune to have been closely identified with the question during the whole of my public life. It has been my fortune to represent my province at numerous conferences with various Dominion governments from time to time on this question. There has been for a number of years a disposition on the part of succeeding federal governments to agree to the general principle that the remaining resources should be transferred to provincial control. The difficulty always was in agreeing upon terms. I took the ground very strongly that the province of Saskatchewan could not consent to taking over the remaining natural resources and give up the subsidy which is being paid, and has been paid since 1905, in lieu of the resources. The difficulty always was on the question of terms.

I remember very well the first occasion on which I had the privilege of being one of the representatives of the province of Saskatchewan at a conference with the Dominion government. The Union government were willing to consider handing to the provinces the remaining resources held by the crown provided that the provinces would agree to surrender in perpetuity any right to cash payment in the way of subsidy in lieu of resources. It was impossible for us to accept that proposal. The ground we took was that the inherent right of the province to the control of its natural resources was recognized in 1905, when the federal parliament in its wisdom determined that it would pay compensation annually in lieu of granting to the province its resources. If the province had no right to its resources in 1905, why did this parliament grant an annual sum to the province in lieu of the resources? That very grant was a recognition of the right for which the western provinces have been contending all down through the years, a right to which this parliament is giving recognition in the legislation now before us.

Later in the days of the Union government I remember that an interprovincial conference was held, at which I was again present as a representative of Saskatchewan, and my colleague the Minister of the Interior (Mr. Stewart) in this government was present, I think, representing his province. We were told then by the government of that day that if we could agree with the representatives of the other provinces there present on terms, the Dominion government would take action to transfer the resources. But there was a condition added, that no further charge than was then being paid should be involved so far as the Dominion government was concerned. I remember very well the meeting of provincial representatives at which the matter was discussed. Each of the other provinces desired to get compensation from the Dominion if the resources were handed back to the western provinces, and needless to say the conference broke up with no agreement being reached. Later on, at a conference with the government of the Right Hon. Arthur Meighen, the same stumbling block arose—the question of terms.

Early in the period of the administration of our present Prime Minister a conference was held at which an advance was made, in

that a definite offer was made by the government of the Dominion as to what it was prepared to recommend to parliament, and to stand by, so far as financial terms were concerned. No offer up to that time had ever been made by a federal government. That particular offer was not acceptable to my province, although a later development of the same offer was accepted tentatively by the province of Alberta. An agreement was not concluded with Alberta because of other difficulties which arose, difficulties which did not relate to the compensation feature. Gradually the negotiations have gone forward until to-day this parliament is acknowledging by solemn agreement that the remainder of the natural resources shall be turned over to the provinces and that the subsidies shall be continued in perpetuity in the manner provided by the acts constituting the provinces in the first instance.

My hon. friend the leader of the opposition (Mr. Bennett) questions the method of dealing with this matter by agreement. I have no doubt at all that from the standpoint of a lawyer his argument may have some merit. I am not qualified to debate that question nor to deny the merit of his various technical objections. Others will attend to that. But I can say this, Mr. Speaker, that the legislature of Manitoba, the legislature of Saskatchewan, the legislature of Alberta, and the parliament of Canada, have entered into an agreement in good faith. They all intend that the terms of that agreement shall be carried out, and they will give legislative effect to whatever measures may be necessary in order to carry it out. That is, I think, the best answer that a layman can give to the technical objections that have been raised. If it is found that legislation of any kind is necessary to implement the terms of this agreement, will anyone say that the parliament of Canada will deny the signature which it is placing upon this agreement? Not at all. Will anyone say that any future legislature of Saskatchewan or Alberta or Manitoba will refuse to carry out the solemn contract entered into between itself and this parliament? I feel sure that in so far as working out technical details of any such legislation as may be required is concerned, we can rely upon the common good faith of the legislatures of these three provinces and upon the good faith of the parliament of Canada to do whatever may be necessary to carry out in the fullest degree the terms of the several agreements.

My hon. friend from St. Lawrence-St. George (Mr. Cahan)—I am sorry he is not in his seat—yesterday and to-day in discussing these matters adopted towards the western provinces that attitude of fatherly care which in the past these western peoples have somewhat resented. We do not recognize that we need the careful supervision that my hon. friend from St. Lawrence-St. George would have this parliament exercise over us. We believe that the peoples of our western provinces are quite as well able to take care of their provincial legislative jurisdiction, of their financial responsibilities, and of any trusts which may exist as this parliament is prepared and able to take care of similar matters which fall within its jurisdiction. We are quite sure also that our peoples are sufficiently intelligent to apply to these matters which fall within provincial jurisdiction the same good sense which the peoples of the other provinces apply to their affairs. That is my answer in brief to my hon. friend's fatherly concern lest these provinces should do some unheard of thing with the school lands. I can assure him that the legislatures of these western provinces, no matter what party may be in control, may be relied upon to represent their people as faithfully and as intelligently as the legislatures of the other provinces.

I prefer not to deal with what might be called the party-political aspects of this question. My friend the leader of the opposition (Mr. Bennett) was good enough this evening to say that I had always held the view that these resources should be turned over to provincial control. That is quite true. In that respect at least, I am fortunate—or unfortunate—enough to have been in agreement with him.

Mr. BENNETT: Hear, hear.

Mr. DUNNING: He referred to an address which I made in Regina. I have since been reminded of the circumstances. I may tell him that my references to himself on that occasion were called forth by his own speech in the same city a short time before in which he represented very strongly the continuous and hard fight that he had put up with respect to this question of natural resources.

Mr. BENNETT: Hear, hear.

Mr. DUNNING: Now, I give my hon. friend full credit for the hard fight which he put up with respect to the natural resources question—except during that period to which he himself referred this afternoon; that is, when he sat as a member of this house from 1911 to 1914, and remained silent. He him-

self expressed it this afternoon as the "silence of indignation" at his party for not having proceeded more rapidly with the carrying out of their promises.

Mr. BENNETT: And I am on record in regard to that.

Mr. DUNNING: My hon. friend is on record, but not in this house.

Mr. BENNETT: Yes, I think so. The then hon. member for Medicine Hat placed my views on Hansard.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: He quoted from my speech in Calgary, and I was content.

Mr. STEWART (Edmonton): Is not that quite unusual for my hon. friend?

Mr. BENNETT: Well, not always, no. I would prefer the hon. member for Medicine Hat rather than the hon. minister to express my views.

Mr. STEWART (Edmonton): That is quite unusual.

Mr. DUNNING: In that regard I can very well imagine the severe restraint and discipline under which my hon. friend must have laboured before he would allow the Liberal member for Medicine Hat to state his, the hon. member for Calgary's views on this question in this house. I say that because I know how strongly my hon. friend felt in the matter.

Mr. BENNETT: I think my hon. friend will find that when parliament met in 1911 I made my first speech on this matter, and he will also find that in 1913 I made the speech to which he referred.

Mr. DUNNING: I have read my hon. friend's speeches and I will not pursue the matter any further than that. I am quite satisfied with what my hon. friend said himself with regard to the matter this afternoon; and, quite frankly, what I am now saying is more by way of pleasantry than in any critical spirit.

With regard to the references made by my hon. friend from St. Lawrence-St. George to literature which is being circulated in his own constituency, may I say to him that I have just the same objections that he has to the identical literature being circulated in my constituency. His criticism of it is that the literature which was intended to be good Tory propaganda in the province of Saskatchewan does not appear to be such good Tory propaganda when it is circulated in the province of Quebec. I say regardless of party, and I do not care in this respect whom my remarks hit, that it is bad Canadianism for any political party or for any member of it to be stirring up in various parts of Canada prejudice and suspicion and hatred against the people of any other part.

Some hon. MEMBERS: Hear, hear.

Mr. DUNNING: There are of course times of heat when men of all political parties may be guilty of indiscretion. I cannot claim to have been always free from indiscretion myself, but I do try to keep always before me that if this country is to remain united these age-old prejudices must give way to the light of intelligence and good will.

My hon. friend from St. Lawrence-St. George also advanced another remarkable argument. He criticized this government for having included in the agreement provision whereby the provinces could test the constitutionality of certain acts of this parliament and also of the acts constituting the provinces. Well, Mr. Speaker, that is to me a most extraordinary attitude to take. That the people of any province living under the terms of an act passed by this parliament should be forever debarred from testing whether or not this parliament had the right to pass that act is to me a most extraordinary attitude to take. As a matter of fact—my legal friends will put me right if I am in error—I believe that even if there had been no provision in the agreement for testing the constitutionality of any act of this parliament, machinery does exist which a province could take advantage of to test it in any case. Perhaps my hon. friend the leader of the opposition would admit that?

Mr. BENNETT: In general that is so, but there may be restrictions upon the exercise of that right.

Mr. DUNNING: I am not in any sense associating my hon. friend the leader of the opposition with the argument advanced by the hon. member for St. Lawrence-St. George.

Mr. BENNETT: Thank you; for I do not agree with it.

Mr. DUNNING: I did not get that?

Mr. BENNETT: I say I do not agree with that argument.

Mr. DUNNING: Quite so. In any event, stating in the agreement that the Dominion will facilitate such appeal, to my mind in no way is a breach of faith with any minority in this country. The minority in this country

would not desire that the people of any province should be denied access to the courts in order to prove or disprove the constitutionality of any particular act. That appeal by my hon. friend from St. Lawrence-St. George to the people of the province of Quebec I am sure will fall on deaf ears, because if there is a people in this Dominion which values the right of liberty it is the people of the province of Quebec. I am quite sure they would not deny to the people of any province the right to test the constitutionality of any measure in any court of the land or of the empire.

I just want to say in conclusion, Mr. Speaker, that to my mind this is an historic occasion, and I for one am proud of the privilege of having a part in it. I believe it is a step towards a greater, a more complete and more unified confederation of the provinces. I believe that as a result of this action, carried out and implemented as it must be by the imperial parliament and possibly by further legislative enactments of this parliament, we will tend to develop a greater unity and closer community of interest among the Canadian people.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, it was not my intention to take part in this debate, certainly not at this stage. What I had to say I intended to reserve for the Saskatchewan agreement, but in view of certain observations which have been made, and I may say in view of the debate exchanged this afternoon between two of my best friends in this house, the hon. member for St. Lawrence-St. George (Mr. Cahan) and the Minister of Justice (Mr. Lapointe), I think I owe it to the people who have confidence in me to add a few words to the reference made by them to the difficulty which arose in 1905 with regard to the maintenance of the minority rights in these two provinces.

That these school rights should be connected with lands is the fault of no particular party, as was partly explained by my hon. friend from St. Lawrence-St. George and by the Minister of Justice. This connection resulted from the action of parliament at the inception of the Northwest Territories, when they were still under the jurisdiction of this parliament. As stated by the hon. member for St. Lawrence-St. George, it was suggested to Mr. Mackenzie, then Prime Minister of Canada, by Mr. Blake, who was not at that time in the government but who became Minister of Justice a few months later, that it should be made clear by a substantial organic law what the rights of majorities and minorities in matters of public education would be in this newly acquired territory in order to avoid the difficulties which had occurred previous to and after confederation in Upper and Lower Canada. To this suggestion Mr. Mackenzie agreed immediately, and he inserted a clause in the act of 1875 which I have here and which I may read, since it is not long:

> When, and so soon as, any system of taxation shall be adopted in any district or portion of the Northwest Territories, the Lieutenant-Governor, by and with the consent of the council or assembly, as the case may be, shall pass all necessary ordinances in respect to education; but it shall therein be always provided, that a majority of the ratepayers of any district or portion of the Northwest Territories, or any lesser portion or subdivision thereof, by whatever name the same may be known, may establish such schools therein as they may think fit, and make the necessary assessment and collection of rates therefor; and further, that the minority of the ratepayers therein, whether Protestant or Roman Catholic, may establish separate schools therein, and that, in such latter case, the ratepayers establishing such Protestant or Roman Catholic separate schools shall be liable only to assessments of such rates as they may impose upon themselves in respect thereof.

Before the introduction of this measure, when Mr. Blake suggested it he said that—

> —he believed it essential to our obtaining a large immigration to the northwest that we should tell the people beforehand what these rights were to be before we invited them to settle in the country. . . . . He regarded it as essential that the general principle should be laid down in the bill with respect to public instruction. He did believe that we ought not to introduce into that territory the heart burnings and difficulties with which certain other portions of this Dominion and other countries had been afflicted. It seemed to him, having regard to the fact that as far as could be expected the general character of that population would be somewhat analagous to the population of Ontario, there should be some provision in the constitution by which they should have conferred upon them the same rights and privileges in regard to religious instruction as were possessed by the people of the province of Ontario.

To this suggestion Mr. Mackenzie and the whole house agreed, but in the Senate this proviso was attacked by Hon. George Brown. There it was strongly defended on behalf of the government by the Conservative leader in the upper house, Sir Alexander Campbell, one of the fathers of confederation and one of those men of whom all parties and all provinces might well be proud.

So this measure was passed. The legend which has been circulated frequently, and which was resurrected a few years ago, when for the first time I dealt with this question in this house, namely, that this measure had

been imposed upon the Northwest Territories and the future provinces, by the people of Quebec, dominated by the Catholic hierarchy, is absolutely groundless. It was the spontaneous thought of the best minds of both parties in both houses that this should be settled on principle, and forever, so that minority rights should be well known in these territories before people settled therein, and this was done in order to avoid those very difficulties which arose later on.

Then we come to the question of lands. It was in 1872, as the Minister of Justice reminded us this afternoon, that the principle of a school endowment was laid down. Then in 1879 provision was made for the sale of these lands, for the establishment of the school fund, and for the distribution to the province of Manitoba and the territorial government of the future provinces all the interest accruing on these funds. However, the interesting feature occurred in 1884. Some movement had been started in the province of Manitoba to ask for the transfer to the province of the school fund, to which Sir John A. Macdonald, then Prime Minister of Canada, replied:

> Representations have come from the province of Manitoba, and very naturally from the government of that province, that the school lands of Manitoba should be handed over to them for their management. Hitherto the government have not seen their way to go so far. That province is large and its population small; and the temptation to deal with that magnificent grant for present purposes to meet present exigencies is very great; and the government think—and I may here mention that the course of the government met with apparent approval during the last parliament—they ought not to denude themselves of this sacred trust, handed over to them as trustee for this great fund for the education of the people in the illimitable future. . . . .

However, there is a further fact which is even more remarkable. There were then four representatives of Manitoba in the federal house, and the three members from that province who were present during that debate all approved of the idea of retaining control of these lands and these funds here. Mr. Royal, who represented the constituency of Provencher and who later became Lieutenant-Governor of the province, said:

> I do not believe, myself, that these lands should be placed under the management of the provincial government.

Mr. Ross, who represented the constituency of Lisgar, said:

> . . . . I believe that the people of the northwest think that the government should preserve these lands intact for school purposes.

Mr. Scott, who represented another constituency, in referring to the previous statements, said:

> I agree with them that the management of these lands should remain entirely in the hands of the Dominion government. . . .

Mr. EVANS: Was that Mr. Walter Scott?

Mr. BOURASSA: No, that was another Mr. Scott. I have not the name of the constituency which he represented, but there were four representatives from Manitoba at that time. Later on in the same debate Sir John A. Macdonald added these words:

> The government is merely the trustee for these lands, and cannot divest them in any way whatever from the purposes of school endowment. . . . .

This would seem clearly to indicate that the intention of parliament was to make it clear that the minority rights should be established forever and preserved by this parliament, acting under authority received from the imperial parliament to make laws for the good government of these territories, and later on to make organic laws for their administration as provinces. That intention was carried out in the letter of the law in section 22 of the Manitoba Act, with regard to separate schools in Manitoba. Of course, the disposition of the Dominion Lands Act applied to Manitoba as well as to the Northwest Territories.

Then the question came up again in 1905. The member for St. Lawrence-St. George, and the Minister of Justice (Mr. Lapointe) gave us this afternoon a few glimpses of that history. I am not going to give it in full to-night; but it will have to be made complete one of these days. With all due respect to my excellent friend the Minister of Justice I may say that he was then a baby in parliament. I had been here for some time. As a matter of fact I had made up my mind not to come back to parliament, and when I did come back in the fall of 1904 it was at the insistent request of Sir Wilfrid Laurier and Sir Charles Fitzpatrick, the then Minister of Justice, in order to help them have these autonomy bills prepared, especially with regard to the minority rights therein. These bills were carefully prepared after the election of 1904 and before parliament met in 1905; and I took an active part, together with Sir Charles Fitzpatrick and some of the representatives of the western provinces, in preparing that school clause.

That legislation was very well received by parliament. Sir Wilfrid Laurier announced it as being the result of careful study. He declared that in presenting it to parliament he was not creating new legislation but was standing "on the rock of constitution;" he

was simply maintaining what parliament had decided thirty years previously and maintained up to that time. To that statement Sir Robert Borden replied in rather vague terms, stating that the Conservative opposition would not make any issue of the school question. A few days later, however, Mr. Sifton, Minister of the Interior in the Laurier government, returned from California, and Mr. Fielding, Minister of Finance in the same administration, returned from Europe. Mr. Sifton found that an agitation had already been started, not in the Northwest Territories, although Mr. Haultain had made a very mild protest, but by a newspaper in Toronto, and it had made some headway. Mr. Sifton thought this a good occasion on which to threaten the government, and then to carry out his threat by resigning. His object was fairly well known at the time; it was to bring about the downfall of the Laurier government, break the contract entered into with the Grand Trunk Railway Company for the construction of the Transcontinental railway, and later bring a Mackenzie-and-Mann administration into power. It had not much to do with considerations of right as between majorities and minorities. I am sorry to say that Mr. Fielding played to a certain extent into the hands of his colleague when he also threatened to resign. He changed his stand in that regard through the influence of a banker in Montreal, who represented to him that it might create a financial crisis in connection with the financing of the Transcontinental scheme. In that respect the hon. member for St. Lawrence-St. George did not present a complete picture; the hon. Minister of Justice gave us a little of it, but I consider it my bounden duty to tell the whole truth.

From that time on the Conservative opposition started a current through the Tory press of Canada, making the charges of which the Minister of Justice has given but a very slight idea. What is going on to-day in Saskatchewan is mere child's play compared to the propaganda carried on at that time from Sydney to Vancouver. The Laurier government was charged with being under the control of Rome and of the bishops, and with being under French domination, and the government became frightened. The Minister of Justice has said that it was found impossible to pass that clause, but I know too much about it—I know it could have passed.

Whether it would have been wiser for the government to have stood upon "the rock of the constitution" instead of rolling from that rock into the sea, I do not know; but after twenty-five years I take a broader and more serene view of that situation. I admit that I resented very much the attitude of both parties, and if I am permitted to give advice to my good friends, I would tell them not to open that debate either in St. Lawrence-St. George or elsewhere. From a party point of view, neither the Liberal nor the Conservative parties have anything to gain in the esteem and respect of the present generation through such action. The one party was guilty of the basest exploitation of the passions of the people, and the other was guilty of moral cowardice to a point which was not a credit to the parliament of Canada.

I admit that there were many outside causes and many currents which played upon both parties and which may be offered on behalf of public men of that day as an excuse for their action, but to say that by that compromise the rights of the minority were preserved—no. Mr. Sifton, as well as Mr. Fielding, made it quite clear that the text which had been substituted by the government on account of the combined threat of the group represented by Mr. Sifton and of the Tory opposition, with the exception of five or six members, had the effect which the hon. member for St. Lawrence-St. George said it had—that of suppressing completely the minority rights in every section where the minority in the province was represented by a local majority. In other words, it changed the whole basis of the school legislation by substituting for the organic law of 1875 a disposition adopted by the Northwest Territories in ordinances which Sir John Thompson, the Minister of Justice in the Macdonald cabinet, qualified as being ultra vires of the legislature of the Territories, but the disallowance of which it did not recommend. He advised the minority to wait until the provinces were organized, and then the duty of parliament would be to reenact or rather to maintain—the legislature of the Territories never had the power or the jurisdiction to amend or abridge a federal law—the law adopted by parliament in 1875. Parliament failed to do that; and I must agree with the hon. member for St. Lawrence-St. George when he says that what remains of the minority rights in Alberta and Saskatchewan is very meagre indeed.

When this matter was before parliament four years ago it was said that I was responsible for impeding any action to be taken because of a remark I made in my first speech after an absence of eighteen years. At that time I reminded the house of the engagement which had been made in 1905 to maintain what remained of the minority rights; and I

stated that the solemn pledge which had been given to parliament by the leaders of all parties in 1875 should not be still more reduced. I reminded the house that there were minority rights which could not be forgotten in connection with the school lands. That brought about a resolution reading as follows:

(a) That the school lands fund to be transferred to the province as in the said agreement provided, and such of the school lands specified in section thirty-nine of The Dominion Lands Act, chapter 20 of the statutes of 1908, and amending statutes, as pass to the administration of the province under the terms of the said agreement, shall be set aside and shall continue to be administered by the province in accordance, mutatis mutandis, with the provisions of sections thirty-nine to forty-two of The Dominion Lands Act, for the support of schools organized and carried on therein in accordance with the provisions of section seventeen of The Alberta Act, chapter three of the statutes of 1905,

Considerable fuss was raised at that time. I remember an hon. member of this house going through the western provinces and saying that that fellow Bourassa, lately in the pay of the German kaiser, and always under the control of Rome, had threatened the government and had forced them to impose upon the western provinces those abominable shackles which curbed their liberties. The hon. members will be curious to know that two weeks afterwards a Conservative convention in Winnipeg adopted a resolution which went far beyond the one proposed in 1926. As far as I am concerned I would be perfectly satisfied to see inserted in these agreements the resolution read by the hon. member for St. Lawrence-St. George. When negotiations were reopened with the Premier of Alberta, the Prime Minister of Canada, in a letter dated December 29, 1928, adopted practically the same language. He said:

With respect to the school lands trust fund and the school lands, it is proposed that these shall pass to the administration of the province but shall be set aside and continue to be administered by the province for the support of schools organized and carried on therein in accordance with the laws of the province, but in compliance with the letter and spirit of the constitution.

That is similar language to that contained in the resolution adopted at Winnipeg. The words inserted in the agreement are somewhat similar, but I am sorry to see the words "in compliance with the letter and spirit of the constitution" left out. I say that not because they have much legal value in themselves, but as a result of my somewhat close study of our various constitutional struggles and difficulties in the interpretation of such laws as I would call laws of principle rather than administration. In these matters, interpretations made by the supreme court and the judicial committee of the privy council are apt to be governed by some such general terms which serve to express the intention of the legislator. I thought it a very happy coincidence—it reminded me of the days of 1875—that both parties practically agreed upon these qualifying terms. However, they have disappeared from the agreement, and I am unable to discover from the correspondence that that was brought about by any insistence on the part of the local governments.

I have no desire to prolong the debate this evening, but I would like to close it with a much broader thought than those already brought out in the debate. I am sorry to see occurring these explosions of bigotry, these attempts on the part of a majority to dominate a minority and to impose its views, but that is only human. With the exception of the provinces of Quebec, Nova Scotia and British Columbia, such struggles have occurred here and there throughout Canada. We have passed through days of nasty and violent quarrels between Protestants and Catholics, between French speaking and English speaking Canadians; but after many years of public life and a study of history, I am beginning to find out that after all the best guarantee against such explosions of bigotry is to be found not so much in texts of law as in forbearance, in patience, and by a constant appeal to the best instincts of all classes in all provinces. I have upheld and sustained, even more so than my good friend from St. Lawrence-St. George, many fights for what I considered to be the moral, the natural, and the national rights of my people; and I have always acknowledged to every other class the same rights which I claim for my own.

I may be permitted to boast in saying that next year the province of Quebec will celebrate the centenary of the full emancipation of the Jews; and I am proud to say that the first legislation in the British Empire which did away with the shackles which had bound the Jewish race was brought about through the influence of my grandfather. Then again, a few years later, he appealed to the sense of fair play and justice of the French-Canadian Catholics and was elected ninety-six years ago by a French-Catholic majority in the city of Montreal in opposition to one of the founders of McGill university. He asked that not only the Anglicans should be given the rights which they then enjoyed, but that all Protestants should be given the same rights and the same privileges which were

enjoyed by the Roman Catholics because of their majority and by the Anglicans because of right of conquest.

When the question of Jewish education began to crop up, I am proud to say that I was the first one in the Dominion of Canada to advocate that our Jewish fellow-citizens should be given the same rights which we claim for Roman Catholic and French-speaking minorities in the English provinces, and which have always been acknowledged and granted to the Protestant minority in the province of Quebec. I am proud to say to-day that this has been accomplished; and although there have been some little difficulties of interpretation as to details of the law, I am happy to say, as regards that hierarchy denounced so often as a dominating power, as a power of intolerance, that Cardinal Rouleau, in the last letter which he wrote to the Premier of Quebec, stated that all the bishops of Quebec were glad that the Jewish minority were given the same rights as the Protestants to educate their children in the public schools of the province in conformity with their religious convictions. That is the spirit of Quebec and of the Roman Catholic hierarchy of Quebec. After all those struggles, after all those difficulties, I have not lost the hope that that spirit of generosity will make its way west and east, north and south.

Not very long ago there were bad days in the province of Ontario. It is not so long ago that in the streets of Ottawa there were children in practical revolt against school authority for the preservation of what they considered, and rightly so, their inborn right to learn their own language in their own schools. To-day a Conservative premier has given evidence of his broad spirit and statesmanship by having amended the legislation of his own government and letting that spirit of liberty and fair play, which has never been challenged in Quebec or Nova Scotia, now prevail in Ontario. The same wave will pass also over the plains of the west. The advice I have given to my friends in Quebec ever since this little trouble has arisen in Saskatchewan is: Let us have patience; it will pass as the others have passed.

But on the other hand, I thought parliament in self respect ought not to put its signature upon any document which could be interpreted as saying that all those great men in the past, those men who founded confederation, those men who endeavoured to introduce in the fabric of confederation a spirit of equality, of liberty, were mistaken either in the precautions they took to guard against passions in the future or in the enactments they secured from parliament in order to make those engagements hold good. Therefore I think we should hesitate every time we touch upon those things with the idea that we are making conditions so much better when we are putting an end to everything that was done in the past.

Mr. CAMPBELL: I would like to ask the hon. member whether he is in favour of carrying out the fundamental principle contained in this agreement, namely, of handing their natural resources back to the provinces?

Mr. BOURASSA: Of course I am. I am glad my hon. friend raises that point, because in 1904 in the preparation of the autonomy bills—and this is no secret now; it is a matter of history—I was the first to suggest that we should there and then hand over all the lands and natural resources to the provinces. If my personal views had carried, the western provinces would have had their natural resources twenty-five years ago. But I was equally clear in saying: If we remit to them the material goods to which I consider they are entitled, we have at the same time the bounden duty to maintain the word of honour that has been given in the name of the crown by the whole parliament of Canada that minorities, whether small or big, whether Catholic or Protestant, whether Liberal or Conservative, whether influential or otherwise, having a moral right, shall have that moral right preserved by parliament. I do not like to speak too much of this, because I feel what I felt in those days when I saw a government led by Sir Wilfrid Laurier falling down from "the rock of constitution" because he was blackmailed on the one hand by an unscrupulous politician and on the other assailed by unscrupulous opposition. I beg your pardon, Mr. Speaker, but these are reminiscences of my youth. I prefer remaining on the ground I have adopted ever since this question has been before us. Three years ago I toured and spoke in every centre of the west. I chose as the subject of one lecture this matter of natural resources and lands, and I think some of my hon. friends were present when I spoke. I did so at Edmonton, the very capital of the province in which that difficulty had arisen, and I think every man who was there, who heard my remarks, realized how false was that legend of Quebec domination and Quebec endeavouring to impose its will upon the western provinces. I used there the same language as I use here, and as I have used in the whole Dominion.

I reserve for the committee a few observations I may have to make on the school clause, but before the second reading passes I simply

wish to say that I am unreservedly in favour of the main principle of these three bills; I have always been, even when the Liberal party was not in favour of it and even when the Conservative party could not see its way clear to giving to the provinces their resources. Of course, as is always the case before an election, there is now keen rivalry between the two parties as to which is to give the most to the west.

At the same time I feel we should not begrudge the broadest interpretation possible and all that we can still give of guarantees to the minorities that are there, because if it is sacred to consider the rights of majorities as far as money interests, lands, water powers and forests are concerned, for a nation to become one worthy of the name it is still more important to preserve the sanctity of word given whether it be to one man or to one million, to a powerful majority or to a small minority, in matters of moral right.

On motion of Mr. MacLaren the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, April 30, 1930.

The house met at three o'clock.

BANKING AND COMMERCE

Mr. FRANCIS WELLINGTON HAY (North Perth) presented the fourth and fifth reports of the select standing committee on banking and commerce.

Mr. HAY moved that the fifth report be concurred in.

Motion agreed to.

PENSIONS AND SOLDIERS' PROBLEMS

Mr. C. G. POWER (Quebec South) presented the fourth report of the special committee on pensions and returned soldiers' problems, as follows:

Your committee have considered Bill No. 19, an act respecting war veterans' allowances, and have agreed to report it with amendments.

Commencing with its preamble, several substantive amendments have been unanimously adopted.

For the greater convenience of parliament, your committee have agreed to reprint it in its amended form.

GRAND TRUNK RAILWAY COMPANY

PETITIONS OF FIRST AND SECOND PREFERENCE STOCKHOLDERS.

Mr. R. S. WHITE (Mount Royal): Mr. Speaker, I have the honour to present and deposit five parcels of petitions containing approximately 3,000 signatures of the first and second preference stockholders of the Grand Trunk Railway Company of Canada, residing in Great Britain, humbly praying that this honourable house may consider the claims of the petitioners in connection with the disposition of the properties of the said railway company in Canada, Great Britain and the United States of America, and further praying for such relief as to this house may be best adapted to the necessities and merits of the case of the petitioners and most consistent with the rights of all parties.

PRIVATE BILLS

SUSPENSION OF STANDING ORDER 92 RESPECTING PETITIONS

Mr. L. G. BELL (St. Antoine): Mr. Speaker, I beg to move, seconded by Mr. Geary:

That the following petitions severally praying for private bills, which were read on April 29, but not received on account of being presented after the time for receiving such petitions had expired, together with the report of the clerk of petitions thereon, be referred to the select standing committee on standing orders for the purpose of considering the suspension of standing order 92 in relation thereto:—

Of Stauntons Limited, for a bill to extend patent 163,389.

Of Herman Howard Gray, and others, for a bill to incorporate "The Hamilton Life Insurance Company."

Of Rebecca Caplan, for a bill of divorce.

Of Frances Evelyne Rosser, for a bill of divorce.

Of Elsie Florence Katharine Vincent, for a bill of divorce.

Of Ethel Adine Ross, for a bill of divorce.

Motion agreed to on division.

THE BUDGET

PRESENTATION ON THURSDAY—SUSPENSION OF STANDING ORDER 28

Right Hon. W. L. MACKENZIE KING (Prime Minister): I believe there is a general expectation on the part of the house and the country that the budget will be brought down to-morrow. The government was anxious before bringing down the budget to conclude the debates on the several agreements which have been under consideration. I am of course not in a position to say whether these debates will be concluded this afternoon, but in any event I assume that if the budget is brought down to-morrow it will be the wish of hon. members not to continue the debate on the budget immediately thereafter. In that event we could resume consideration of any business which is left in an unfinished state. As the rules provide that the Speaker must leave the chair without question being put on Thursdays and Fridays, a motion for the suspension of that

rule to-morrow will be necessary if the Minister of Finance (Mr. Dunning) is to be able to present his budget to the house. With that in mind I move that standing order No. 28 be suspended.

Motion agreed to.

FOOD AND DRUGS ACT AMENDMENT

Hon. J. H. KING (Minister of Pensions and National Health) moved for leave to introduce Bill No. 125, to amend the Food and Drugs Act.

He said: This is an amendment to the Food and Drugs Act to allow the governor in council to appoint analysts who are not members of the staff of the federal Department of Health and allow them to be described as Dominion analysts. This request has come from cities and larger municipalities which have equipped laboratories and are desirous of having their analysts designated as Dominion analysts. The provision is:

—upon the request of any province, city or other municipality any duly qualified analyst then and for such time as the said analyst shall remain so employed by the said province, city or other municipality.

Such persons can be designated under this act as Dominion analysts.

Motion agreed to and bill read the first and second times.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FAMILY ALLOWANCES

Mr. LETELLIER:

What, if anything, has been done to implement the suggestion of the select standing committee on industrial and international relations, contained in its 1929 report, that before the next session of parliament the question of jurisdiction as between the Dominion and provinces on the granting of family allowances be considered?

Mr. HEENAN: The matter has been referred to the law officers of the crown and is under consideration.

IMPORTATIONS OF GRAIN

Mr. BOCK:

1. What importations, if any, of the following grains were received into Canada, in the years 1928 and 1929, wheat, oats, barley, flax, rye, and from what countries?

2. What duties are imposed against importations of Canadian wheat, oats, barley, flax or rye by: (a) the German government; (b) the French government; (c) Italian government; (d) United States government?

3. Have any reports come to hand of damage to wheat in store in United States terminal elevators, by weevil?

[Mr. Mackenzie King.]

Mr. MALCOLM:

1. Canada's imports of wheat, oats, barley, flaxseed and rye, by countries, calendar years 1928 and 1929 were:

Grains

	1928	1929
Wheat from United Kingdom		
Bushels	8	99
$	12	286
United States		
Bushels	110,923	1,792,285
$	140,027	1,817,174
Total		
Bushels	110,931	1,792,384
$	140,039	1,817,460
Oats from United Kingdom		
Bushels	25	1,860
$	92	2,837
United States		
Bushels	3,028,669	3,417,988
$	1,637,463	1,705,215
Total		
Bushels	3,028,694	3,419,848
$	1,637,555	1,708,052
Barley from United Kingdom		
Bushels	4	77
$	14	202
United States		
Bushels	2,148	15,797
$	2,620	12,822
Hong Kong		
Bushels	4	....
$	14	....
Total		
Bushels	2,156	15,874
$	2,648	13,024
Flaxseed from United Kingdom		
Bushels	179	....
$	1,282	....
United States		
Bushels	7	70,301
$	24	128,822
Argentina		
Bushels	299,105	1,282,279
$	538,910	2,537,593
Belgium		
Bushels	112	....
$	333	....
British India		
Bushels	....	19,995
$	....	52,303
Egypt		
Bushels	2	....
$	10	....

France		
Bushels	173	1,421
$	558	3,327
Morocco		
Bushels	80	....
$	221	....
Poland and Danzig		
Bushels	....	276
$	....	777
Netherlands		
Bushels	79	....
$	220	....
Total		
Bushels	299,737	1,374,272
$	541,558	2,722,822
Rye from United Kingdom		
Bushels	106	....
$	95	....
United States		
Bushels	103,194	245,495
$	116,787	249,013
Total		
Bushels	103,300	245,495
$	116,882	249,013

2. While it is impracticable to guarantee absolutely up-to-date information on foreign duties, the rates quoted here are taken in the main from recent publications or advices received in the Department of Trade and Commerce.

100 kilogrammes is the equivalent of 220·4 pounds avoirdupois.

Germany—	Rate of duty
Wheat, per 100 kilogs	15 reichsmarks ($3.57)
Oats, per 100 kilogs	12 reichsmarks ($2.86)
Fodder barley, per 100 kilogs	10 reichsmarks ($2.38)
Other barley, per 100 kilogs	15 reichsmarks ($3.57)
Rye, per 100 kilogs	9 reichsmarks ($2.15)
Flaxseed	free
Flax, raw, cleaned, retted, heckled, swingled and scoured.	free
Flax, hackled, carded, combed, bleached or dyed	free

The Canadian Trade commissioner at Hamburg cabled on April 22 that a German tariff law, effective from April 25, established new rates on wheat and barley which are the rates quoted here. Details regarding the full scope of the new law have not yet been received. Under previous measures, wheat and rye had been subject to variable duties depending on market prices while an adjustable tariff also applied to oats and barley on the basis of the economic situation.

On the aforementioned goods there are, at present, no conventional (reduced) duties.

France—	Rate of duty
Wheat, per 100 kilogs	50 francs ($1.96)
Oats, per 100 kilogs	21 francs (82 cents)
Barley, per 100 kilogs	15 francs (59 cents)
Rye, per 100 kilogs	15 francs (59 cents)
Flaxseed	free
Flax, raw, scutched, combed or tow	free

The French general and minimum tariffs on these items are the same.

Italy—	Rate of duty
Wheat, per 100 kilogs	14 gold lire ($2.70)
Oats, per 100 kilogs	4 gold lire (77 cents)
Barley, germinated (malt), per 100 kilogs	12 gold lire ($2.32)
Barley, other than germinated, per 100 kilogs	4 gold lire (77 cents)
Rye, per 100 kilogs	4.50 gold lire (87 cents)
Flax, raw or combed	free
Flax tow	free
Flaxseed, per 100 kilogs	5.46 gold lire ($1.05)

There is an Italian conventional rate of 10 gold lire ($1.93) on germinated barley which is accorded to Canada, and other most-favoured-nations. There are conventional rates also on other barley and on oats but they are the same as the general tariff rates. Flax, raw or combed, is duty-free in a convention as well as in the general tariff.

United States—	Rate of duty
Wheat, per bushel of 60 lbs.	42 cents
Oats, hulled or unhulled, per bushel of 32 lbs.	15 cents
Barley, hulled or unhulled, per bushel of 48 lbs.	20 cents
Rye, per bushel of 56 lbs.	15 cents
Flaxseed, per bushel of 56 lbs.	56 cents
Flax straw, per ton (2,240 lbs.)	$2.00
Flax, not hackled, per lb.	1 cent
Flax, hackled, including "dressed line," per lb.	2 cents
Flax tow and flax noils, per lb.	¾ cent

Cuba is accorded a 20% preference by the United States.

3. One complaint has been received by the Board of Grain Commissioners for Canada, from the Liverpool Corn Trade Association, Limited, that a shipment of Manitoba 2 Northern wheat from the port of New York, contains several kernels showing evidence of damage by weevil, which complaint is now under investigation.

QUESTION PASSED AS ORDER FOR RETURN

TECHNICAL AND PROFESSIONAL SERVICES

Mr. GARLAND (Bow River):

Regarding the royal commission's report on technical and professional services:—

1. If the above report is implemented what would be the effect by way of increases or reductions in the maximum and minimum salary ranges of employees in each grade specified?

2. What is the number of technical, scientific and professional workers respectively in each grade whose salaries would be increased as from April 1, 1930, in the event of the adoption of the report?

3. What is the number of technical and professional employees in each grade whose salaries would be increased as from April 1, 1931, should this report be adopted?

4. What is the total number of employees and the total sum involved in respect of: the Civil Service Commission classification minimum and maximum salary ranges, and the royal commission classification minimum and maximum salary ranges in each grade?

5. What is the number of employees grouped in each of the proposed new grades, who would receive no salary increases because the maximum salary in their present classification has been maintained or in some cases reduced under the royal commission classification?

6. What is the number of employees grouped in each of the proposed new grades, whose salary would be reduced under the royal commission's classification?

[Mr. Malcolm.]

UNOPPOSED MOTIONS FOR PAPERS

INTERNATIONAL TERMINALS, LIMITED

Mr. CHURCH:

For a copy of all letters, telegrams, leases, agreements and other documents, between the government of Canada or any member thereof, and the International Terminals, Limited, Windsor, concerning wharfs, docks and warehouses on government property opposite Devonshire road on the Detroit river. Also a return showing the names of directors and other officers of the International Terminals, Limited, its capitalization, paid up capital and powers conferred on the said company by its charter.

APPLICATION FOR LAND

Mr. SPENCER:

For a copy of all papers, letters, telegrams and other documents with reference to applications for the fraction of the N.W. ¼ 20.54.2 W. of 4th M.

CANADIAN PACIFIC RAILWAY—RADIO BROADCASTING

Mr. GARLAND (Bow River):

For a copy of all letters, telegrams, and other documents from January 1, 1928, to date, between the government of Canada or any department thereof and the Canadian Pacific Railway Company, concerning the application of the Canadian Pacific Railway Company for radio broadcasting licence.

HOWARD MILLER

Mr. KENNEDY:

For a copy of all correspondence, telegrams, and documents of all kinds exchanged between any person or persons and the Department of the Interior, or any other department of the government, relating to the application for position, granting of position, and subsequent release from service, of Howard Miller, fire ranger in the district of Sturgeon lake in the province of Alberta; and also a copy of all correspondence exchanged between the different departments of the government respecting same question.

ECONOMIC CONFERENCE AT OTTAWA

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): Before the orders of the day are called I would like to ask the Prime Minister (Mr. Mackenzie King) when the correspondence will be produced in connection with the proposed economic conference. We were to get it some time ago, but it has not yet been produced.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The agenda for the conference is being prepared at the present time. A similar question was asked recently in the British house and the answer given by the Chancellor of the Exchequer was that it would not be possible to place the agenda before the British government for some time and until the various governments had given their consent. We are in the same position. As soon as the government in Great Britain is in a position to bring down the agenda it will be brought down in this house.

Mr. BENNETT: The right hon. gentleman has misunderstood me. Some time ago I asked for correspondence regarding invitations that were sent out for an economic conference at Ottawa.

Mr. MACKENZIE KING: I beg the hon. gentleman's pardon; I misunderstood him.

Mr. BENNETT: The right hon. gentleman will remember that the correspondence was to be produced but I suppose there have been so many things on his mind that the matter has been overlooked.

Mr. MACKENZIE KING: I did not understand the hon. gentleman's request; the correspondence for which he has asked will, if possible, be laid on the table this afternoon.

INQUIRY FOR RETURN

On the orders of the day:

Mr. M. N. CAMPBELL (Mackenzie): I should like to ask the Minister of Railways when I may expect a return to an order which passed the house in my name on March 31.

Hon. T. A. CRERAR (Minister of Railways): I shall have inquiry made and advise my hon. friend later.

Hon. FERNAND RINFRET (Secretary of State): Would my hon. friend indicate the subject matter of the return? One return was tabled to-day.

Mr. CAMPBELL: It requested a statement of the expenditures by the Canadian National Railways on Governor General's cars.

Mr. CRERAR: That return was tabled to-day.

REPORT ON NAVAL CONFERENCE

On the orders of the day:

Mr. T. L. CHURCH (Toronto Northwest): In the absence of the Minister of National Defence I should like to direct a question to the acting minister or to the minister himself through the Prime Minister. It was announced yesterday in the press that on May 7 the Minister of National Defence would address the Women's Liberal Club of Ottawa, taking as his subject "The Peace Parley and Its Results." I should like to know whether the house is to get this information second hand, or whether the minister is to make a statement to the house. I should like also to congratulate the minister on being the only diplomat to return from that conference with his fleet intact.

FAIR WAGES AND HOURS

Hon. PETER HEENAN (Minister of Labour) moved the third reading of Bill No. 49, respecting fair wages and an eight hour day for labour employed on public works of the Dominion of Canada.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, the bill which has received consideration in committee of the whole house, and the third reading of which has been just moved by the Minister of Labour, is one about which there has been some controversy and with respect to which a number of persons desired to make representations. The Minister of Labour told us that he had received a delegation in connection with this measure and that in consequence of the representations made to him he had inserted as an amendment to one of the sections of the bill a clause which prevented any hardship being worked by its operation.

The last section of the bill provides for the passing of regulations by the governor in council on the recommendation of the minister, and it further provides that such regulations shall have the force and effect of law on their publication in the Canada Gazette. I have already directed attention to the far reaching consequences of provisions such as this, and referred to certain statements made by the Lord Chief Justice of England in a book recently published, entitled The New Despotism. It was suggested that the observations of Lord Hewart had no reference to cases such as this, but on the contrary it was just such cases to which he directed attention in one of the chapters of the book. I will not take the time of the house in reading his observations in this respect, but I should like to make a suggestion to the government. It will not be possible to give effect to this

suggestion without referring the bill back to the committee of the whole house, which I would very earnestly suggest be done, or this may be done in another house.

My suggestion is that it should be provided that the regulations shall have the force and effect of law, say, fifteen or thirty days after their publication in the Canada Gazette. Inasmuch as these regulations have the force of law, and there is no means by which the law as thus enacted may be made known to the public generally, I submit that the regulations should not come into effect until, say, fifteen or even thirty days after the date of their first publication in the Gazette. I regard this as but a fair measure of protection for those who will be vitally affected by the regulations. I did prepare an amendment the other day seeking to refer the bill back to the committee of the whole house for the purpose of inserting that provision in the final section, but in view of the fact that this is a matter over which the government has complete control I am content to make the suggestion to the Prime Minister and the government. I regard this as of very great importance; the public affected should have the means of knowledge as to what the law is when the regulations have the force of law, and the only method of which I can think by which that can be accomplished is to provide that the regulations shall not come into effect for a certain period from the date of the first publication thereof in the Gazette, as provided in the section. I am not particular as to the time; it might be fifteen, twenty or thirty days.

The only effect of this change would be to add the words I have suggested to the section in question. This is only a suggestion I am making, but I think it is in the interests of the public generally. I cannot feel that there is anything unfair in this proposal with respect to legislation of this character. I am not moving an amendment; I will leave it entirely in the hands of the government to deal with as they think desirable in view of what I conceive to be the public importance of a provision of this kind.

Mr. J. J. E. GUERIN (St. Ann): Mr. Speaker, I introduced a bill some time ago which was designed to regulate the age limit up to which people could be employed on government contracts or by companies deriving benefits from government subsidies or companies depending in any way upon government work. I was given to understand that the provisions of this bill would be incorporated in some way in the measure now before the house, and I understand that this is to be done through the regulations which may be brought into being by the governor in council on the recommendation of the minister.

I want to be assured by the Minister of Labour that regulations corresponding to the provisions of my bill will be enacted under this legislation. I want this for the information of the house. If I can get a guarantee from the Minister of Labour that this will be done I will be quite prepared to withdraw my bill, but otherwise I will have to ask the house to consider it.

Hon. E. B. RYCKMAN (East Toronto): In support of what has been said by my leader I desire to point out to the Prime Minister and the Minister of Labour that section 5 of the bill provides for the imposition of penalties for any breach of the regulations which may be enacted by the governor in council upon the recommendation of the minister. Unless some notice is given a man may find himself in the position of having committed a breach of the laws of this country, and before a man errs in that way I submit that he is entitled to know what the law is. Therefore some notice should be given. It seems to me this would be more in the interests of the workingman than in the interests of the employer, although it would hit both ways. I am sure the working people of this country do not desire to wake up some morning and find that they have committed a breach of the regulation of which they knew nothing. In all fairness I think that notice should be given of what is intended to and does become the law of this country.

Mr. HEENAN: Mr. Speaker, I could understand my hon. friend if it were the intention of the government to make the penalty a gaol sentence or a heavy fine.

Mr. BENNETT: That is what it does.

Mr. HEENAN: There is some reason for the suggestion made by the leader of the opposition (Mr. Bennett), but, as I said, it is not intended to impose gaol sentences.

Mr. CHAPLIN: What are the penalties?

Mr. BENNETT: We do not know as yet.

Mr. CHAPLIN: You do not know what they are?

Mr. HEENAN: The bill must be passed before regulations can be drawn. It seems to be the belief that there will be unfair dealings on the part of the government in connection with the administration of this bill. At the

present time we have regulations, and I would direct the attention of the house to the following:

The Minister of Labour may at any time and from time to time determine for the purposes of this contract, what are the current or fair and reasonable rates of wages, and the current or fair and reasonable hours, and may from time to time rescind, revoke, amend or vary any such decision, provided that his determination and any amendments or variation shall not be operative prior to the period of three months immediately preceding the date thereof.

A change can be made at any time, but it cannot be made effective for more than three months before the date of the change. I am a little uncertain as to the effect of the suggestion made by the leader of the opposition, as it might retard the carrying out of the act for fifteen days after the notice has been given. In other words, if a man had not been paid the proper wages for say six months, I am a little uncertain as to whether or not those wages could be adjusted until fifteen days had elapsed after notice had been given. I would suggest that the bill be given its third reading and probably we could intimate to the other house what might be done in the matter.

I am advised that the effect of the bill sponsored by the hon. member for St. Ann (Mr. Guerin) would deprive workmen employed upon public works in the province of Quebec from receiving the benefits of the Workmen's Compensation Act of that province. One clause of that bill should be considered, that no man should be deprived of employment on government works because of his age. I cannot undertake to say what my colleagues in the cabinet will do, but I will recommend that no man shall be deprived of employment on public works because of his age.

Mr. MACKENZIE KING: Mr. Speaker, before the motion is put I would like to be sure that I correctly interpret the meaning of my hon. friend. I understand that he does not refer to any existing regulations, but simply to such regulations as may be made under section 5 of the bill. His purpose is to ensure that when regulations are made due notice will be given to all parties. I think the Minister of Labour (Mr. Heenan) has already indicated that that suggestion is a reasonable one and it should be possible to make some arrangement to carry it out.

Mr. JEAN FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, before this bill receives third reading, I would like to make a few comments in reference thereto. This bill has been drafted by the Minister of Labour (Mr. Heenan) who has interested himself in the welfare of the workingmen of this country. I think the passing of this bill should be an inducement to the provincial governments to adopt minimum wage laws, the introduction and adoption of which I have on several occasions advocated.

I contend that some public works can be done by means of day labour just as well as by means of tenders and contracts. I know in my own province there are men who are acquainted with the construction of certain classes of work, or of dredging and repairing, and such work can be carried on quite effectively by means of day labour. Each year certain public works are constructed for the benefit of the farmers and fishermen who live along the banks of the St. Lawrence and along the shores of lake Temiscouata. These small communities are in the same position as other communities in other provinces which ask for federal assistance, and they are in the same position as certain private companies, and even some provinces which agree to pay part of the work carried on by the Dominion government.

There are boats which make regular sailings from ports in my constituency to other ports on the St. Lawrence river, and the farmers along there are very interested in any work done in the repairing of wharves or the dredging of the river. Considerable cutting of sea grass is carried on, which operation can be conducted only at low tide. It is very hard work and some dredging should be done to permit these people to bring their vessels nearer the shore in order to unload their cargoes. These people could not do this work themselves without government assistance, as they have not the means. They require the assistance of the government and they prefer to have several works at a little lower wage for the men rather than only one large work with a higher wage.

Labour conditions are different in this part of the country from what they are in the cities. Certain men in the cities depend upon day labour to gain their livelihood, but in these farming centres along the river and the large lakes, the people conduct their farming operations during certain seasons of the year, and during other seasons they take up other lines of work. That is why I ask the Minister of Public Works (Mr. Elliott) not to insist upon this work being done by contract, as I believe considerable work could be carried on by day labour to the satisfaction of the government. I know of one instance at Riviere du Loup where a break about 40 feet long by 10 feet wide occured in the wharf. It was necessary that the wharf be

repaired that year, and tenders were asked for and the contract let to a certain party. That party was to do the work that same fall, but he failed to do so. He did no preparatory work and I had to insist upon the cancellation of the contract by the government so that the work might be done by day labour in November and December. The work was done to the entire satisfaction of the government in spite of very bad weather conditions. Under those circumstances I would like the Minister of Public Works to continue to have the work done by day labour by the people who have already given full and entire satisfaction to the department.

In conclusion I wish again to congratulate the Minister of Public Works upon paving the way to improve the conditions of labour throughout the country. Does the act apply also to people who do not work under contract?

Mr. HEENAN: Yes.

Mr. POULIOT: This is a decided step in advance and the effect will be felt throughout the whole country.

Motion agreed to, and bill read the third time and passed.

NATURAL RESOURCES

AGREEMENT WITH ALBERTA

The house resumed from Tuesday, April 29, consideration of the motion of Mr. Stewart (Edmonton) for the second reading of Bill No. 17, respecting the transfer of the natural resources of Alberta.

Mr. MURRAY MacLAREN (St. John-Albert): Mr. Speaker, attendance yesterday afternoon at a special committee prevented my being present in the house during the debate on the bill for the restoration of the natural resources to Alberta. It was that portion of the debate which especially interested me and I had hoped then to have taken part in the discussion. I quite agree that the restoration of the natural resources to Alberta and to the other prairie provinces is a wise and advantageous procedure. The principle has been received favourably by the house generally and I trust the people of the west understand that parliament has looked with favour upon the proposal. I leave the matter there.

I wish to deal with this question from a different standpoint. I would refer hon. members to what has occurred since confederation, especially as applying to the handing over of lands to different provinces. At various periods large tracts of land have been handed over to five provinces, namely, Quebec, Ontario, Manitoba, Saskatchewan and Alberta and it is estimated that the total area of the public domain which has been so transferred to those five provinces amounts to a million square miles. The three provinces in the east, the maritime provinces, are geographically restricted and as a result of that it happens that not one acre of additional expansion has been possible for the maritime provinces. This has given rise to the interest and the claim about which we have heard for so many years. It is a striking example of disparity, inequality, between five provinces and those provinces which have not been able to participate in the expansion.

I had an opportunity of glancing over what was said yesterday by my maritime colleagues or, as I call them, the wise men from the east, and I also heard from my leader who has a most comprehensive knowledge of the whole situation. I feel that my views were adequately put forward yesterday, but at the same time I wish to reaffirm what I stated in the House of Commons last year, namely, that as regards the provinces by the sea, in consequence of the transfer of such large areas as I have mentioned and the conditions which have arisen therefrom, there has been created an interest, a claim, which should be allowed to be presented in some suitable form and adequately dealt with.

This is a long standing claim. It goes back probably before Sir Robert Borden made a definite pronouncement in the house. The Duncan report states that while it was not instructed and while it did not propose to deal with an exact decision on the matter, it commended for further consideration this question of what is often termed compensation for the maritime provinces in consequence of the transfer of these various lands of great area. We are aware that this has been spoken of in the house on many occasions and outside of the house by countless people on innumerable occasions. I see the Minister of National Defence (Mr. Ralston) in his seat and I am sure these are familiar words to him.

The cases should and will be presented by the provinces themselves. Whether it be on the ground of compensation or on that of property rights or on both grounds, or on other grounds for claims that might be stated, that lies in the discretion and good judgment of the provinces. It is for them to make their claims and I do not venture to suggest how their claims should be presented. An opportunity, however, should be granted to them to present their claims. A few years ago in the house there was a popular saying—I have

not heard it this year and so I venture to repeat it: "What are you going to do about it?" I ask the government: What are they going to do about the claim for compensation which the people of the maritime provinces believe they have good grounds for making? Personally I think that there is substantial merit in their claim regarding western lands, and when I say western lands that does not comprise the whole of the public domain that has been granted to the five provinces stretching from Quebec to Alberta. I have mentioned that one million square miles has been given to those five provinces, and not one acre to the maritime provinces. On the face of that general statement it would seem that upon the general principles underlying the confederation there is ample ground for this claim being most carefully considered. The maritime provinces have suffered no doubt by reason of their geographical position. We are looking now to the Prime Minister (Mr. Mackenzie King) to make some statement to the house on the matter, and to let the house and country know what is in their minds; and what time could be more opportune and appropriate than now when the three prairie provinces are about to receive their natural resources? Contemporaneously with this legislation passing through the house, or at all events following it, it seems to me that an announcement should be made by the government with respect to this claim which hinges to a very considerable extent on the transfer of the natural resources.

Hon. LUCIEN CANNON (Solicitor General): Mr. Speaker, I have listened with great attention to the remarks of my hon. friend from St. John-Albert (Mr. MacLaren), but he will excuse me, I hope, if I address my remarks chiefly in answer to some of the legal aspects of this question which were raised in the speech of the hon. leader of the opposition (Mr. Bennett) yesterday. Later in the debate I understand that the Prime Minister (Mr. Mackenzie King) will take part, and I have no doubt that he will deal with the questions which have been raised by the hon. gentleman who has just preceded me and by others representing the maritime provinces.

In the course of his remarks yesterday the Minister of Finance (Mr. Dunning) stated, and rightly so, that this was somewhat of a historic occasion, that we were, so to speak, rounding out to a certain extent the work which had been begun by the fathers of confederation in 1867. We are completing the work which was then started, and the members of the house, no doubt realizing the importance of the legislation which is now before them, have shown in this debate a spirit of high public duty. The tone of the discussion throughout has indicated that we all realize the importance of the task that we are called upon to perform.

Before entering into a discussion of the legal angles of the speech of the hon. leader of the opposition, may I say one word, and one word only, with reference to the speech made by my hon. friend from St. Lawrence-St. George (Mr. Cahan). Let me preface what I have to say in that regard by standing in all sincerity that I have the greatest respect, admiration and deference for the hon. gentleman, but notwithstanding that, I was somewhat surprised at the speech which he delivered yesterday afternoon, a speech which did not add anything to the constructiveness of the debate by reviving certain past issues which might well remain undisturbed in the annals of our history. But I think that from that speech and from the discussion which ensued we can conclude that, fortunately for Canada, the spirit which prevailed in 1905 has considerably changed, and that now in 1930 we can discuss this very important question of western lands and of additional provincial legislative authority without listening, as the members of 1905 had to do, to debates in this house which on many occasions were beclouded by prejudices and narrow-mindedness. The spirit which exists in Canada in 1930 is better by far, and it gives to those who have at heart the unity of our country great hope for future improvement.

One word more, and I shall conclude this part of my speech. I may say to my hon. friend from St. Lawrence-St. George that if he has to complain of prejudices which are raised against him in his constituency, we also, not only in the province of Quebec, but in other provinces, have the same complaint to make. But as the hon. Minister of Justice stated yesterday afternoon, tolerance is the offspring of education. It is a mental attitude, and it is not by legislating in this parliament coercively or otherwise that we can create a better public spirit. Let us educate our people. Let the people of the various provinces get to know one another better, and then we shall have that spirit of tolerance for which the hon. member for St. Lawrence-St. George is pleading and towards which he is apparently directing his best efforts and endeavours.

The leader of the opposition in this debate has offered certain criticisms, and they have been made in a spirit of true statesmanship. May I say that his speech yesterday was very constructive in character? But, on the other hand, I have noticed that if the hon. and

learned gentleman could address the house solely as a lawyer and forget at times that he is also, unfortunately for him, the leader of a political party, the legal suggestions which he offers to the House of Commons would sometimes be the sounder for it. But yesterday the leader of the opposition brought to the attention of the house and of the government certain aspects of the agreement which is now under discussion, and I will in the same spirit which inspired him try to offer, if not answers, at least certain considerations which have been reached not only by myself but also by my hon. friend the Minister of Justice.

The first point raised by my hon. friend was rather an historical point. He stated the stand taken either by the Dominion or the provinces in years gone by as to the title to the lands in the west, whether the Dominion had exclusive control as such, or whether the Dominion was a trustee, or whether the Dominion had simply what I might call a usufructuary interest. These matters are very interesting, they offer a considerable field for discussion, but I will not weary the house by going into a detailed discussion of them because, as has been stated by the hon. gentleman, they are now before the court for determination, and I would not like to prejudice the case by offering any argument on one side or the other.

The second criticism was as to procedure. The leader of the opposition recalled that in all cases when amendments to the British North America Act were sought from the imperial parliament, the usual procedure followed was an address by both houses of parliament, and that in accordance with and under the provisions of that address imperial legislation was passed. I may say to the house that we are dealing in this particular case with a matter which is not altogether on all fours with the precedents which have been cited by my hon. friend. We do not wish to amend the British North America Act only; we wish to establish a new relationship as between the Dominion government and the provincial governments of the western provinces with respect to the administration of their lands.

As a preliminary to the remarks which I shall offer on this point, I wish to say that there is evidently some misunderstanding and misconception in the matter. Very often we talk about the ownership of lands, the proprietary interest in lands. All lands in Canada—I am talking now of public lands—are owned and are the property, not of the Dominion as such, not of the provincial governments as such, but of the crown. The crown is indivisible. There are not two crowns, one Dominion and the other provincial, there is only one crown, and where this differentiation between the Dominion and the provincial government comes in is not as to ownership or property rights, but as to legislative control over the lands.

Up to 1905 the two western provinces were included in the Northwest Territories, and the public lands in that vast expanse were administered by the Dominion of Canada. Through its parliament the Dominion exercised legislative authority. In 1905, when the provinces of Alberta and Saskatchewan were constituted, the legislative control over the public lands in these two new provinces was retained by the Dominion. I do not propose to enter into a discussion as to the motives and reasons which might have prompted parliament to adopt that method. But the only thing retained was not the ownership, was not the property which vested and remained vested in the crown, but was the legislative authority; and to-day we wish to turn over the legislative authority and control over the lands in question to the provincial governments of Saskatchewan and Alberta, as we have done in respect to Manitoba in the Manitoba bill which has been read a third time.

So that it is not an amendment only to the British North America Act, but it is the establishment, as I said before, of a new legislative basis between this Dominion and the provinces. Therefore we had to face a situation somewhat similar to the situation which had to be faced by the statesmen who represented the four original provinces which afterwards became part of the Dominion. In those days we had Canada, New Brunswick and Nova Scotia. The people who then represented the governments of these three colonies, desirous of changing the legislative relationship between them, met first of all in conferences at Charlottetown and then at Quebec and reached an agreement. That agreement was discussed in their several legislatures, and when the imperial parliament had the evidence before it that the agreement represented the will of the parties thereto, imperial legislation was passed.

In this particular case we have met the people who represent the province of Manitoba, the province of Saskatchewan, and the province of Alberta; we have drafted agreements setting forth the will and intention of both the Dominion and the three several provinces; these agreements are now before parliament, and if parliament adopts and ratifies them, as they have already been ratified by the provincial legislatures, then the imperial parliament will see the views and desires of the parties as expressed in those agree-

ments, being the will of the Dominion and the provinces, and will pass the necessary legislation. I do not think, Mr. Speaker, that the criticism offered by the leader of the opposition as to the procedure followed is well directed.

Now the next point made by my hon. friend, a point upon which he laid considerable stress, was that in the agreement concerning the province of Alberta the words "from its entrance into confederation in 1905" are used. My hon. friend asked the Minister of the Interior (Mr. Stewart) what sinister significance was to be attached to these words. I do not think my hon. friend was very serious when he put that question. I do not think there is anything in his point. The agreement states that the province of Alberta is to be put on a footing of equality with the other provinces since Alberta became a province in 1905, and as such became a member and a part of confederation. That is all it means.

I may say that when considering these questions there is one general idea which must not be lost sight of—that Canada must be considered first as a geographical entity, and, secondly, as a political entity. The answer is obvious as to whether the Northwest Territories were considered as a geographical entity in the Dominion of Canada. The Northwest Territories were always part of Canada since they were turned over by order in council in 1870 and became part of the Dominion. This is obvious and plain; I do not think it is debatable. But because the Northwest Territories were part of the territorial or geographical entity of Canada, can we go further and say that even in 1870 they were part of the confederation of the provinces? The answer is that we cannot, because the province did not exist. We cannot say that any more than we can say that the territory of Ungava which was added to the province of Quebec in 1912 was part of confederation from the time Quebec became part of the Dominion in 1867. So I may say, Mr. Speaker, that there is no sinister significance in these words. The preamble simply indicates that at the time Alberta became a province in 1905 it was placed on a footing of equality with every other province of the Dominion.

Mr. CAMPBELL: What about Saskatchewan? Do the same conditions apply there?

Mr. CANNON: Yes, the same conditions. These matters are to be referred to a royal commission and certain points are to be referred to the courts; in view of these facts I do not think I should go into any detailed discussion.

Mr. ADSHEAD: If the land always belonged to the Dominion of Canada and all that was turned over was legislative authority, what was it that was turned over by the British government? Was it only legislative authority?

Mr. CANNON: The Hudson's Bay Company by an act of surrender abandoned and relinquished all the privileges which had been granted under the old charter given by Charles II.

Mr. ADSHEAD: Did they own the land?

Mr. CANNON: Yes, they owned the land, certainly. A point, however, which is not to be forgotten and which is fundamental in these discussions is that Canada did not acquire the Northwest Territories from the Hudson's Bay Company.

Mr. BENNETT: Hear, hear.

Mr. CANNON: The Hudson's Bay Company, however, surrendered its charter to Her Majesty the Queen.

Mr. BENNETT: No, it did not surrender its charter; it surrendered an interest in the land.

Mr. CANNON: I mean all the privileges given to the Hudson's Bay Company under that charter which concerns the lands and privileges enumerated, subject to certain conditions. These conditions are the only rights which now remain in the Hudson's Bay Company. However, that territory reverted to the crown and the crown passed an order in council which made it part of the Dominion of Canada. The crown is the same in all sections of the British Empire; we have the same king and at that time we had the same queen. The owner of these public lands at that time was Her Majesty the Queen, and when Her Majesty said that the territory became part of the Dominion of Canada it simply meant that the government of Canada had legislative authority and control over the territory. The ownership of the property, however, remained in the crown.

Mr. ADSHEAD: So that that meant that the government of the Dominion did not transfer lands or property to Canada but simply gave legislative authority.

Mr. CANNON: Yes. This principle is well recognized in the British North America Act. Section 9 of that act is as follows:

> The executive government and authority of and over Canada is hereby declared to continue and be vested in the queen.

That refers to the whole of Canada. Sections 91 and 92 apply to distribution of legislative authority and control.

Mr. ADSHEAD: I want to have it clear, as I never understood it that way. Has all legislative authority, no matter what kind, which is transferred from the Dominion to the provinces to be ratified by the Imperial parliament?

Mr. CANNON: Yes, because the legislative autonomy of our constitution is contained in sections 91 and 92. Those sections are part of the British North America Act and we cannot amend that act without the consent of the Imperial parliament.

Mr. BENNETT: Even then we cannot do so.

Mr. CANNON: My hon. friend raised a point in connection with clause 1 of the agreement. He has said that this is a conveying clause and he raises certain doubts as to whether the clause was really operative as regards water power. I may say that this is a point of considerable importance and that my hon. friend has made a very strong argument in connection therewith. I would not say the hon. gentleman is wrong but I wish to call the attention of the house to some further points. The opening words of that section are to the effect that the intention of the contracting parties is to place the provinces of Manitoba and Saskatchewan in the same position that the other provinces hold under section 109 of the British North America Act. Section 109 of that act is as follows:

All lands, mines, minerals and royalties belonging to the several provinces of Canada, Nova Scotia and New Brunswick at the union, and all sums then due or payable for such lands, mines, minerals or royalties shall belong to the several provinces of Ontario, Quebec—

And so on.

Mr. ADSHEAD: The words are "belong to."

Mr. CANNON: I do not think the wording of the section is good. It does not mean that it shall belong in the sense of separate ownership; it simply means that they shall have legislative control because the ownership is in the crown.

Mr. ERNST: In the right of the provinces.

Mr. CANNON: Yes, in the right of the provinces. I would call my hon. friend's attention to the fact that although the provinces of New Brunswick, Nova Scotia, Quebec and Ontario have dealt with their water powers and there has been absolutely no doubt that the water powers were part of their natural resources, there is nothing in the British North America Act which mentions water powers. So that when the agreement was drafted and when the words were inserted they were inserted with the object and for the purpose of placing these provinces of the west in exactly the same position under section 109 as regards water power as that in which the older provinces are placed. I may say to my hon. friend that his argument in connection with the Irrigation Act and in connection with the Dominion Water Power Act deserves every possible consideration. Section 6 of the Irrigation Act, which is an act applying solely to the three western provinces, vests the ownership of the water powers in the Dominion. I have no doubt in my mind—though I always express simply my personal opinion—that by an agreement of this kind we cannot repeal existing legislation and that the Irrigation Act, which gives to the Dominion a certain proprietary interest in the water powers of the west, will have to be dealt with either by way of a special repeal or in some other way if this agreement is to become effective and if the intention of the parties is to be carried out. I entirely agree with my hon. friend the leader of the opposition when he says that we will have to make certain changes in our existing legislation. My hon. friend put the question whether the law officers of the crown considered that the mere mention in one of the sections of the agreement that such and such an act is repealed meant that the repeal became effective. My answer to my hon. friend is that it does not. These acts cannot be repealed by agreements of this kind, but as my hon. friend suggested yesterday I think ways and means can be found whereby all these acts which may be in opposition to the intention expressed in the agreement may be altered or amended in order to meet the new conditions.

Just here I should like to pay high tribute to counsel, both for the Dominion government and for the provinces, who performed a tremendous amount of work in connection with these agreements. These gentlemen were breaking new ground, so to speak, facing new problems and often unforeseen difficulties. We have before us the results of their work over a period of many months, and if we find that certain things should be done either by legislation or by additional agreements in order to realize the intentions of the different governments I am quite sure that everything necessary will be done without hesitation.

Then, Mr. Speaker, the hon. gentleman referred briefly, and some other hon. gentlemen referred at greater length, to the section which deals with the school lands and the school funds. I do not wish to discuss this question except to say that section 17 of both

the Alberta and Saskatchewan Acts has been declared constitutional by the Supreme Court of Canada, and that therefore in any legal discussions, until and unless this judgment is altered, we must take as our basis for argument the fact that this section was within the powers of the Dominion parliament, that it is constitutional and is the law of the land to-day.

With regard to the Dominion Lands Act, under which the school lands and the school endowment funds are to be administered, the question has been raised as to whether or not section 40 is included. I regret that this question was introduced in the debate and that doubts were expressed as to the effect of that section as we find it in the agreement, but I have no hesitation in supporting the opinion expressed by my hon. friend the Minister of Justice. The ordinary rules of construction must apply in this matter, and it is not a question of hair-splitting and quibbling. The first rule which is to be applied to the construction of an agreement, as to the construction of a statute, is to assume that the people who were parties to the agreement meant to do something practical and to give effect to an agreement which they signed. Starting from that basis is it possible to think for one moment that gentlemen would come all the way from the west to meet other gentlemen in Ottawa in order to draft a section which, if the contention of the hon. member for St. Lawrence-St. George were to be upheld, would have absolutely no practical application of any kind? When we mention these sections in the agreement we are not simply picking out sections which are separated in different statutes of Canada; we are dealing with a special section of the Dominion Lands Act with a separate heading, and unless the last section of that special chapter is included it would simply mean that these gentlemen have taken all this time in order to provide for some kind of system in the west which on the very face of it would not be workable. I do not think any court would put such a construction on any provision contained in this agreement.

My hon. friend from Cape Breton South (Mr. MacDonald) advanced the argument that section 40 could not apply because that section provides that the school funds must be invested in Dominion securities, and he contended that the provinces would not do that. I do not believe his argument is very strong, but I refer to it for one particular purpose. Let me repeat that in connection with all these matters there are general ideas which must be remembered. We must not lose ourselves in details; we must concentrate on the main points of the agreement, and the main point of this section is that the principle which has been followed ever since the lands in the west were administered by the Dominion is to be upheld. In other words, the school lands and the school endowment funds are to constitute a trust, and instead of that trust being administered by the Dominion it will be administered by the provinces. There may be certain minor changes necessary as to investments; I do not know as to that, but such changes are covered by the Latin words included in that section, mutatis mutandis, which means that changes are to be made where changes are necessary in order to make of a Dominion administration a provincial administration, always keeping in mind the principle of trusteeship.

My hon. friend commented upon the sections covering the parks, and he stated that we were setting up, so to speak, a new state within the province of Alberta and that we were erecting an administration of our own to face the administration of the province. With his great facility, he gave to the house an idea of the probable conflicts in administration, jurisdiction and otherwise. These parks are for the Canadian people generally, they have been constituted for Canada as a whole. The expenditures made by this country in order to maintain these parks are made in the interests of the Dominion as a whole and not only of a province. It would be absolutely ridiculous for a dominion which has had, has now and will have to-morrow exclusive legislative jurisdiction within these parks, to depart from that jurisdiction unless at the same time it turned over the whole areas to the provincial governments and secured from those governments an announcement of their willingness to bear the burden of expenditure. Unless this Dominion has a right to legislate in connection with its parks, why should it spend the money? Would any hon. member of this house entertain for one moment the proposition that millions of dollars should be voted by this parliament and that that money should be spent under laws about which we know nothing and over which we have no control?

Mr. ADSHEAD: That would be a vicious principle.

Mr. CANNON: It is the very vicious principle of one body collecting money and giving it to another body which spends it, without the first having any control over the second. The viciousness conflicts with the very fundamentals of the British constitution.

In so far as the governments themselves are concerned, they are satisfied. From the

newspapers in that section of the country it would appear that they are satisfied with the agreement. I have before me an article which appeared in the Winnipeg Free Press. I do not intend to read it, but it states that the policy adopted by the Dominion government is in the interests of the west at large, and the hope is expressed that that policy will not be disturbed.

In his concluding remarks my hon. friend raised a very interesting point regarding section 24 of the agreement, which says that when the imperial parliament has confirmed the agreement, the parties to it will have authority to vary by agreement the provisions thereof. My hon. friend went on to say that section 24 introduced into Canada, as far as the western provinces were concerned, a new principle whereby we would have the right to amend the British North America Act without the British parliament being a party thereto. As my time has elapsed, I can only say that this section applies only to the provisions of the agreement.

Hon. W. A. BLACK (Halifax): Mr. Speaker, may I ask the indulgence of the house for a few minutes in order to place my views before it regarding the bills which are now being considered in connection with the natural resources of the provinces of Alberta, Saskatchewan and Manitoba. At the outset I desire to say that I am not in any way opposed to these bills. They give to these provinces what is their due and I am glad to see that done. The question which is now before us has been before this country for some time. It was under the consideration of the Conservative government in 1914 when war broke out, and the attention of the government had to be given to the defence of our country and other matters were brushed aside among which was this question of natural resources. As I said before, I do not for one moment oppose the treatment which is being meted out to these provinces.

My object in rising is to state my position on behalf of the province of Nova Scotia. As has been stated previously, the Dominion of Canada originally consisted of the four provinces of Nova Scotia, New Brunswick, Quebec and Ontario. Those provinces entered into what might be termed a business partnership. That business was carried on and in the course of time the provinces of Quebec and Ontario each received a large share of the profits. As was stated by the hon. member for St. John-Albert (Mr. MacLaren), those provinces received about a million square miles of new territory. We are now dealing with the western provinces which are receiving what is due to them, and the question naturally arises: where do the smaller provinces stand? Additional lands could not be added to their territory, they being isolated as they were, and the question now arises: where do they come in with regard to their interests in the partnership? They helped to pay for the lands. What return are they to receive?

On behalf of the province of Nova Scotia I hold myself free to press the claims of that province. Those claims were clearly and fairly set out in the Duncan report which contained recommendations which have not yet been carried out, although the Prime Minister (Mr. Mackenzie King) has stated on the floor of this house that those recommendations would be implemented to the full.

I do not propose taking up the time of the house in repeating the different arguments, as the situation of the maritime provinces has been brought fully and clearly before the house.

I do not admit that the passing of the legislation now before the house closes the matter. The maritime provinces will not forego their claim in this connection but will press it to a legitimate conclusion.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, several hon. members who have recently spoken have made special reference to the position of the maritime provinces and to possible claims which those provinces may wish to have considered. They have, I think, very appropriately indicated in their remarks that whatever affects one part of the Dominion with respect to the voting of additional subsidies or to the alteration of any other terms as existing between the provinces and the Dominion, must necessarily have a bearing upon other provinces of the Dominion. Indeed, that fact is the one which above all others accounts for the circumstance that only to-day we are bringing as near to a termination as may be possible, a controversy which has existed for fully half a century.

When the province of Manitoba was created in 1870, the government of the day withheld from that province lands similar to those which the older provinces had come into possession of at the time they came into the control of their own affairs. Manitoba had, however, not been constituted very long before it began an agitation for the return, or rather control of the lands within its borders. The position of the federal government is, I think, well stated in an order in council which was passed while Sir John Macdonald was in office and which I would like to read as it more clearly than anything else indicates the reasons which actuated not only the government of Sir John Macdonald but subsequently also the

government of Sir Wilfrid Laurier in retaining the lands of the western provinces at the time they came into confederation. These lands were retained not out of any spirit of distrust, but rather because of national obligations which the federal government felt it was bound to meet.

In an order in council of the 30th May, 1884, the following appears:

The success of the undertakings—

And this is in reference, of course, to the claim put forward at that time by the province of Manitoba for the return of its lands.

The success of the undertakings by the Dominion government in and for the northwest, depends largely upon the settlement of the lands. Combined with the great expenditure in organizing and maintaining an immigration service abroad and at home, parliament pledged its faith to the world that a large portion of those lands should be set apart for free homesteads to all coming settlers, and another portion to be held in trust for the education of their children. No transfer could, therefore, be made, without exacting from the province the most ample securities that this pledged policy shall be maintained; hence in so far as the free land extends there would be no monetary advantage to the province, whilst a transfer would most assuredly seriously embarrass all the costly immigration operations which the Dominion government is maintaining mainly in behalf of Manitoba and the Territories.

The great attraction which the Canadian government now offers, the impressive fact to the mind of the men contemplating immigration is that a well known and recognized government holds unfettered in its own hand the lands which it offers free, and that that government has its agencies and organizations for directing, receiving, transporting and placing the immigrant upon the homestead which he may select. And if the immigration operations of the Dominion, which involve so large a cost, are to have continued success and to be of advantage to Manitoba and the Northwest Territories, your sub-committee deem it to be of the utmost importance that the Dominion government shall reclaim and control the lands which it has proclaimed free to all comers.

Were there other considerations of sufficient force to induce them to recommend their transfer to Manitoba, and as a consequence and by precedent the surrender to the provinces to be created from the Northwest Territory, all the lands within their boundaries, then they would advise that the provinces holding the lands should conduct their own immigration operations at their own expense.

That order was passed in 1884 and was cited by Sir Wilfrid Laurier at the time the provinces of Alberta and Saskatchewan were being created as setting forth the policy upon which his government was acting, as the government of Sir John A. Macdonald had acted, in holding the lands and giving to those provinces in lieu of the lands certain subsidy payments.

Mr. ADSHEAD: Was the ownership of the land transferred, or just the legislative authority?

Mr. MACKENZIE KING: I should assume the ownership of the lands remained in the Dominion. The point that I wish to make clear is that both political parties in this country have been actuated by like motives in dealing with this question at the outset and, I believe, through the greater part of the controversy. The government of Sir John A. Macdonald believed it was serving best the future interests of Manitoba and of the Dominion in withholding the lands and conducting immigration policies of its own just as the government of Sir Wilfrid Laurier did.

Within the last few months we have had in parliament a discussion in respect to immigration policies and I believe we have come pretty generally to the conclusion that the time has now arrived when the provinces themselves should have a larger voice in determining the policy with respect to immigration within their own boundaries. The fact that this is true indicates the change that has come about in conditions in Canada in the period to which I have been referring. At the time of the creation of those provinces no one would have thought of suggesting that they themselves at that stage would be best qualified to determine what immigration policy should govern with respect to the area that has been generally known as the Northwest Territories and to carry out that policy. But to-day they very rightly feel that they have reached a point in their own development and that Canada has reached a point in its development as a whole, necessitating more attention being paid to the purely provincial point of view than has hitherto been the case.

Mr. BENNETT: Was it not far more important when the homestead lands were available to settlers that the province should determine the character of the settlers than when those homesteads are not now available? That was one of the difficulties I was discussing the other day.

Mr. MACKENZIE KING: I doubt whether the provinces as constituted were able to make selections as effectively as the federal government, having regard to the necessity of recruiting immigration overseas. That, however, is a very large question and I am quite prepared to admit that it is one which is open to controversy.

Once the provinces of Saskatchewan and Alberta were created, the desire to have their lands returned to them, the wish to have con-

trol of their own natural resources, became almost immediately a matter of great concern to them as it had continued to be to the older province of Manitoba. Their representations were made to the governments of the day at Ottawa; representations first of all to the government of Sir Wilfrid Laurier, later to the government of the Right Hon. Sir Robert Borden, and subsequently to the government of the Right Hon. Arthur Meighen. When these representations were made it was usually by the three provinces acting together. As far as I have been able to discover, in the matter of their representations, they always combined their forces. Their respective premiers came from the three provinces to Ottawa and met here the government of the day. The reply they invariably received was that the government was prepared to return the natural resources, but was not prepared to continue the subsidy which was being paid to them in lieu of the resources. The reason for that reply it seems to me was related in large part to the point which has just been raised by my hon. friends from the maritime provinces. It was the question of the interest which other provinces in the Dominion would naturally have in all questions of financial arrangements between any of the provinces and the federal government. The governments of those days saw considerable difficulty in the return of the resources and at the same time effecting agreements to continue the subsidies. On the other hand, so far as the western provinces were concerned, they were unwilling, having once received subsidies, to forego them. There was an additional circumstance which was of real concern to them, namely, the amount that they felt should be allowed in payment of lands that had been alienated while under the control of the Dominion government. How to assess the amount that might be owing to them, how to effect an accounting was an additional complicated aspect of the question.

When the present administration came into office in December, 1921, it found several problems awaiting solution. There were amongst others problems which bore upon conditions in the maritime provinces; there was this all important question of the transfer of their resources to the western provinces. We undertook to cope with these problems as best we could, recognizing always, however, that it would be impossible to settle a problem affecting any one province without having continuous regard for the interests and concern of the other provinces as well.

We lost no time. In February, 1922, on behalf of the government, I sent a letter to the premiers of the three western provinces intimating that we were anxious to work out, if possible, a solution of the natural resources question and stating that we were prepared to transfer the resources immediately if the provinces were willing to forego the subsidy, or that we were prepared to grant an accounting, if they felt that money was due them from the federal treasury. This accounting, of course, would have reference to lands that had been alienated.

The western premiers visited Ottawa early in 1922, and as a result of our conference I gave to parliament on April 21, 1922, a statement of the position as it existed at that time. This particular statement related to the situation as between the government of Manitoba and the Dominion government. The other two provincial governments remained in conference with the Dominion government, but the premier of Manitoba was obliged to leave to attend to important political matters in his own province. The statement will be found on Hansard of April 21, 1922, at page 1018. I might as well read it. It is brief:

> As between the government of Manitoba and the Dominion government it has been agreed,—
>
> (1) That it is desirable and just that such adjustments be made between the Dominion of Canada and the prairie provinces with respect to their natural resources as will give full recognition to the principle that in this respect they are entitled to be placed in a position of equality with the other provinces of confederation.
>
> (2) That the government of Canada will negotiate an agreement with the prairie provinces with the above object in view, such agreement to be subject to ratification by parliament and the respective legislatures.
>
> (3) That failing agreement on any point as between the Dominion and the province of Manitoba all such items so in dispute shall be referred to arbitration.
>
> (4) That any awards made by such arbitrators shall be subject to ratification by parliament and the legislature of Manitoba.

I wish to direct attention to those words, "as will give full recognition to the principle that in this respect they are entitled to be placed in a position of equality with the other provinces of confederation." That, I believe, was the first time a basic principle had been laid down as the one which should guide in the matter of the transfer of the natural resources. Prior to that time the position of federal governments that had dealt with the matter had been that the resources would be returned and the subsidies discontinued, but nothing was said as to the western provinces being put in a position of equality with the other provinces of the Dominion. I stress that particular feature because I believe it was the laying down of that principle, and adhering to

all its implications that has brought us to the point we have reached to-day. The prairie provinces were to be placed in a position of equality with the other provinces of confederation.

In connection with the endeavour to place the prairie provinces in a position of equality with the other provinces, it was hoped that an agreement might be reached as the result of negotiations. Failing negotiations some other method had to be adopted, and the method suggested was arbitration. Subsequent to that time several conferences were held with the western provinces and the same method was proposed with respect to all of them, but whenever arbitration was suggested, difficulties immediately arose as to the terms of the arbitration, the particular subjects to be arbitrated, the powers to be given to the arbitrators, how the arbitrators were to be chosen and the like, and above all, as to the method of accounting. Without knowing the ramifications of the work of the Department of the Interior it is impossible for anyone to conceive how involved any attempt at accounting in this matter was likely to be. When one reflects upon the values of land at one time, and their subsequent values, one soon discovers the difficulties that lie in the way of a settlement by arbitration based on an accounting. It was for that reason that there was some delay in reaching the next step. This was on April 21, 1922. At that time I gave a statement to parliament with respect to the position of the other provinces in any settlement which might be reached. It was in the following words:

If, however, apart from the land subsidy question the eastern provinces feel that they have any claim, that claim would have to be considered on its merits and it should not be an obstacle to the settlement of matters between the Dominion and the prairie provinces.

That was quoted from a communication which had been previously placed on record. I added subsequently in a statement to the Commons:

The position of the government is the same to-day. If the maritime provinces feel that they have any claim that claim should be considered on its merits.

I am quoting now a statement that I repeated later to my hon. friend from St. John-Albert (Mr. MacLaren).

Mr. MacLAREN: That was last year.

Mr. MACKENZIE KING: Yes. I might just as well make that clear at the moment. Last year I repeated to my hon. friend from St. John-Albert a statement which I made in this house in 1922, the statement being the one which I have just put on record. I concluded with these words:

The position of the government is the same to-day. If the maritime provinces feel that they have any claim, that claim should be considered on its merits.

In other words, the second stage in reaching a solution of this matter was having it clearly understood that none of the other provinces should feel that its position would be prejudiced because of any settlement that might be made with the western provinces. It was essential at the outset to have it understood that the only way in which this involved and complicated problem could be settled was for the government to proceed with each province concerned individually and make the settlement that seemed most in the public interest, and that when a settlement was made, if other provinces felt that they had claims either arising out of the settlement or existing in other ways, they might assume that these would be taken into consideration in the same way, namely on their merits. That is the position to-day. I want to make clear that to reach a solution it became necessary to deal with the western provinces individually, and it became necessary also to have it understood that as regards the other provinces their position would not be prejudiced as a result of any settlement that might be reached.

After negotiating with the province of Manitoba, the government took up more actively negotiations with the province of Alberta. Alberta had reason to feel that her great resources were of immense value, and she was more anxious, I believe, than any of the other provinces to come immediately into possession of them.

Mr. BENNETT: It had already received its swamp and other lands.

Mr. DUNNING: Not Alberta.

Mr. BENNETT: I thought the right hon. gentleman was speaking of Manitoba.

Mr. MACKENZIE KING: I am speaking now of Alberta. We were able in negotiating with Alberta by herself to reach an agreement. The Alberta administration held out strongly for the return of the lands and also for a continuation of the subsidy. We modified the position that we had originally taken, that it would not be possible to continue the subsidy at all, to the extent of expressing willingness to continue the subsidy for a few years, not so much by way of continuation of the subsidy as by way of an allowance to meet the costs to which the province would be put in taking over the resources. On that basis an agreement

was reached with Alberta on January 9, 1926. As hon. members know, the agreement was presented to this house in legislation which was submitted to parliament, and also submitted to the legislature of Alberta.

As hon. members know, while the agreement with Alberta was before the legislature of that province a question was raised with respect to the validity of section 17 of the Alberta Act, and it was thought advisable to have a reference made of that question to the Supreme Court of Canada. I need not go into the circumstances which occasioned that reference. Suffice it to say that the decision of the court was to the effect that the constitutionality of section 17 of the Alberta Act could not be questioned.

Mr. ADSHEAD: That is the school proposition.

Mr. MACKENZIE KING: About this time the government began to give more active and careful consideration to conditions in the maritimes. I find it necessary to pass from one to the other because only by considering as they have arisen questions affecting the relations of each province to the Dominion has it been found possible to work out the present solution. We had as indicated been negotiating prior to 1926 with the western provinces for the return of their natural resources. Whether for this or other reasons, the east began to press us more strongly with respect to conditions in the maritimes. We then appointed the royal commission on maritime claims of which Sir Andrew Rae Duncan was the chairman. In the order in council referring to the appointment of the commission the following amongst other representations which had been made to this government by the maritimes were referred to as follows:

> These representations have also been directed to the effects of the customs, immigration and other economic policies adopted by successive governments, of certain financial measures, and of the disposition or allotment to provinces of public lands of Canada, and it is alleged that at the time of the consummation of the confederation certain pledges were given that such measures would be undertaken and such policies pursued as would ensure for the future a satisfactory economic position for these provinces and that these pledges have been disregarded as a result of which the maritime provinces have not shared in equal measure the prosperity enjoyed by the Dominion as a whole.

It will be observed that this reference included a mention of financial measures and of the disposition or allotment to provinces of public lands. In communicating with the commission I gave amongst others, the following instructions to the chairman:

> The government of Canada is asking you to undertake a task of national importance in inquiring into maritime province grievances. The scope of the inquiry is indicated in the order in council constituting the commission. My colleagues and I desire to emphasize our conviction that the commission should not interpret its instructions or its duties in any narrow or technical sense, but should take every opportunity for the fullest and frankest discussion of the economic difficulties facing this part of the Dominion, the endeavours which have been made to overcome them, the causes of any shortcoming in these endeavours, and the most effective and practicable remedies.

I quote this paragraph as indicating the attitude in which the government has approached all these problems which affect the relations between the Dominion and the different provinces of the Dominion. We have sought to avoid dealing with them in a narrow or technical way. Whether we have proceeded through the agency of a commission or by direct action on the part of the government, we have endeavoured to take a generous and liberal attitude in seeking a solution of these provincial questions. The commission on maritime claims in its report touched upon the claims of the maritime provinces with respect to Dominion lands and with respect to the necessity for financial readjustments. The commission stated that in its opinion there should be a more comprehensive investigation into the claims of the maritimes than was within the power of the commission itself. The commission gave it as its opinion that in the interval, lump-sum-subsidies should be granted to the maritime provinces to afford them the amounts to which the commission believed they were entitled. The government accepted the report of the commission in that particular, and as a result parliament was asked to vote, and did vote, to Nova Scotia an additional subsidy of $875,000 per year, to New Brunswick an additional amount of $600,000, and to Prince Edward Island an additional amount of $125,000. With a view to a readjustment, the government undertook also to have an investigation made into the financial arrangements existing between the Dominion and these provinces. This readjustment was to be carried out by means of an assessment. That work has been placed in the hands of the audit board.

Subsequent to the presentation to parliament of the report of the Duncan commission a Dominion-provincial conference was held at Ottawa. The maritime claims investigation took place in 1926, and the Dominion-provincial conference was held in 1927. It is necessary to refer to that conference because in my opinion it was an essential step towards the ultimate solution of this question. When

the conference met there was before its members the record of what had been done by the government with respect to the appointment of the royal commission on maritime claims and its recommendation as to action which should be taken by the government as to voting additional subsidies to the maritime provinces. Before that conference there was also the position of the western provinces in the matter of their claim to the return of their resources. The western provinces had asserted that the time had come not merely when they should be given back their resources but that they should be permitted to receive as well the subsidies which at the outset had been given in lieu of resources. The situations of both the maritime and the western provinces were as a consequence considered at that conference, and the attitude towards the western provinces taken by those representing the maritime provinces and the provinces of Ontario and Quebec was that the Dominion government in dealing with these western provinces should do so in a generous and liberal manner. That was the treatment accorded western Canada by the eastern part of Canada in return for the attitude the western provinces through its representatives in this parliament had taken in regard to the maritime situation. There was cordial reciprocation. As a consequence the government felt that it was free to reopen negotiations with the western provinces on a basis more liberal than it had theretofore found possible to adopt. When the next conference was held with the western provinces the government kept in mind the attitude of the Dominion-provincial conference and to a considerable degree governed itself accordingly.

At a conference which was held during the month of August 1928 between the Dominion government and the province of Manitoba, the question of the transfer of the resources of Manitoba was taken up anew. At that conference one more very important step was taken towards reaching a definite agreement between the two parties. Prior to that conference, the basis upon which we had been considering the transfer was to place these provinces in the same position as that held by the other provinces of the Dominion. Manitoba contended, as it had contended before, that such action was not sufficient. Manitoba asserted the attitude that merely to place it in the same position as the other provinces of the Dominion was to ignore altogether the position of that province from the time it entered confederation up to the time at which we were then negotiating. As a result of this contention, a strong plea was made to the federal government for recognition of the position of the province from the time it came into confederation. That particular request by Manitoba was met by the present administration, and it was agreed that Manitoba should be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources as from its entry into confederation. In my opinion that step was the most important of all factors in enabling a settlement to be reached with that province.

What means were to be adopted to place Manitoba in that position? That was the next matter which the conference had to consider. Bearing in mind previous experience respecting difficulties of arbitration, the conference adopted a method whereby it was thought the public interests could best be safeguarded. It was decided to appoint a commission with power to determine not only what were the relevant factors to be considered but also to decide what in its opinion should be done in order to effect the end I have just described. As a result it was agreed that the government of Canada, with the concurrence of the government of Manitoba, should appoint a commission of three persons to inquire and report as to what financial readjustments should be made to effect that end; the financial readjustment necessary to place Manitoba in the position that she would have been in with respect to the administration and control of her natural resources as from her entrance into confederation in 1870; the commission to be empowered to decide what financial or other considerations were relevant to its inquiry; the findings of the commission to be submitted to the parliament of Canada and to the legislature of Manitoba; and upon agreement on the financial terms, following consideration of the report of the commission, the respective governments to introduce the necessary legislation to give effect to the financial terms as agreed upon and to effect the transfer to the province of the unalienated natural resources within its boundaries subject to any trust existing in respect thereof and without prejudice to any interest other than that of the crown in the same.

The commission under this agreement was appointed on April 1, 1928; it set about its work immediately and presented its report in due course. That report was accepted by the federal government and by the government of Manitoba; an agreement based upon the report was drafted and signed, and is the agreement which was presented to this parliament this year, and which already has been approved by this House of Commons.

Having made this settlement with Manitoba in the manner described and in connection with this settlement having agreed to terms more liberal than would have been agreed to had not the Dominion-provincial conference been held, and had not the claims of the maritime provinces been investigated and dealt with as they were, the government then was in a position to deal with Alberta and Saskatchewan on terms also more generous than any which had been proposed theretofore. I will read what is contained in the agreement in connection with the financial terms as respects Manitoba. This is important, because it bears on the whole question of federal subsidies to the provinces.

20. In lieu of the provision made by section five of the statute two George the Fifth chapter thirty-two above referred to, Canada will, from and after the date of the coming into force of this agreement, pay to the province by half-yearly payments in advance, on the first days of January and July in each year, an annual sum based upon the population of the province as from time to time ascertained by the quinquennial census thereof, as follows:—

The sum payable until the population of the said province reaches eight hundred thousand shall be five hundred and sixty-two thousand five hundred dollars;

Thereafter, until such population reaches one million two hundred thousand, the sum payable shall be seven hundred and fifty thousand dollars;

And thereafter the sum payable shall be one million one hundred and twenty-five thousand dollars.

21. If at the date of the coming into force of this agreement any payment has been made under the provisions of section five of the statute two George the Fifth chapter thirty-two above referred to in respect of any half-year commencing before but terminating, after the said date, a proportionate part of the payment so made shall be taken as having been made under the provisions hereof.

Hon. members will see that the first proposal to Manitoba was simply to return her resources, and place her in the position with respect to the ownership of these resources that she would have been in without taking into consideration any alienations of land between 1870 and the time at which the agreement was reached. Manitoba, however, claimed that she was entitled to some payment on account of lands which had been alienated, and the commission which dealt with the problem was authorized to fix an amount which, in its opinion, would cover what was due on account of alienations. The following is the finding of the commission, as embodied in the agreement:

22. In order to provide an adequate financial readjustment in favour of the province for the period intervening between its entrance into confederation in 1870 and the first day of July, 1908, before which date it received either no subsidy in lieu of public lands or a smaller subsidy than it should have received in order to put it on an equality with the other provinces, Canada, forthwith after the coming into force of this agreement, will, in accordance with the report of the hereinbefore recited commission, pay to the said province the sum of four million, five hundred and eighty-four thousand two hundred and twelve dollars and forty-nine cents with interest thereon at the rate of five per cent per annum from the first day of July, 1929.

When agreement with Manitoba was reached on this basis I immediately issued to the press a public statement, which was made known to the provinces of Alberta and Saskatchewan, to the effect that having come to an agreement on certain terms with Manitoba, the government was prepared to make settlements on similar terms with Saskatchewan and Alberta. In other words, we were prepared to say at once to the province of Alberta that in consequence of the agreement we had reached with Manitoba we were prepared to go further than we had gone in the agreement which had been previously signed and executed; as I have said, we felt justified in that course, from what had transpired in the interval. The statement, which appeared in the press on June 26, 1929, was as follows:

Upon the conclusion of the conference with the representatives of the government of Manitoba, it was stated by the Prime Minister that the Dominion government, having in mind negotiations now pending with the provinces of Alberta and Saskatchewan, and the representations of the governments of these provinces with respect to the continuance of the payment of subsidies in accordance with the terms of existing legislation, is now prepared to accord to Alberta and Saskatchewan, in the settlement of the resources question, treatment similar to that granted to Manitoba with respect to the continuance of Dominion subsidies.

I transmitted that public statement to Mr. Brownlee, the Premier of Alberta, in a letter dated October 5, 1929, and shortly after receipt of that communication negotiations were resumed between the province of Alberta and the Dominion government, and an agreement was reached with Alberta on terms similar to those granted Manitoba.

My hon. friend the leader of the opposition inquired the other day—and this was referred to this afternoon by the Solicitor General—as to the sinister meaning attached to the words "as from its entrance into confederation in 1905" in the Alberta and Saskatchewan agreements. The reason for the insertion of those words was that in all these agreements the government in so far as might be possible was seeking to follow identical lines. The province of Manitoba had raised no question about the insertion of the words "as from its

entrance into confederation in 1870"; indeed, their insertion was regarded by the province of Manitoba as a great gain on its part. It was in order to place Alberta and Saskatchewan in exactly the same position as Manitoba had been placed in that the government used the identical language in the orders in council and the agreements dealing with these matters.

Mr. EVANS: Did not Manitoba have an adjustment years previously to that.

Mr. MACKENZIE KING: There have been other adjustments, but the commission which inquired into the Manitoba situation took all those adjustments into account.

Now, in connection with Alberta, as I have said, the agreement is similar to that made with Manitoba. I should like to place the financial terms on record, because they are important from the point of view of the subsidies which this parliament will be paying hereafter:

20. In lieu of the provision made by subsection one of section twenty of The Alberta Act, Canada will, from and after the date of the coming into force of this agreement, pay to the province by half-yearly payments in advance, on the first days of January and July in each year, an annual sum based upon the population of the province as from time to time ascertained by the quinquennial census thereof, as follows:

The sum payable until the population of the said province reaches eight hundred thousand shall be five hundred and sixty-two thousand five hundred dollars;

Thereafter, until such population reaches one million two hundred thousand, the sum payable shall be seven hundred and fifty thousand dollars;

There was one feature in the agreement with Alberta in addition to that to be found in the agreement with Manitoba. It is as follows: It will be observed that its purpose is to ensure Alberta being placed in a position identical with Manitoba as respects what may be due that province to ensure it being placed in a position with the other provinces as from the date of its entry into confederation.

22. It is agreed that the Hon. W. F. A. Turgeon, a judge of the court of appeal of Saskatchewan, Charles M. Bowman, of the town of Waterloo, in the province of Ontario, Esquire, chairman of the board of directors of the Mutual Life Assurance Company of Canada, and Fred E. Osborne, Esquire, mayor of the city of Calgary—

This personnel is the same as that of the Manitoba commission except that Mr. Osborne takes the place of Mr. Crerar.

—or, if any of the foregoing cannot act, then such other person or persons as may be agreed upon, will be appointed commissioners under part one of the Inquiries Act to inquire and report whether any, and, if any, what consideration, in addition to the sums provided in paragraph twenty hereof, should be paid to the province in order that the province may be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources as from its entrance into confederation in 1905, such commissioners to be empowered to decide what financial or other considerations are relevant to the inquiry, and the report to be submitted to the parliament of Canada and to the legislature of Alberta; and if by the said report, the payment of any additional consideration is recommended, then, upon agreement between the governments of Canada and of the province following the submission of such report, the said governments will respectively introduce the legislation necessary to give effect to such agreement.

Having concluded the agreement with the province of Alberta, the government was then in the happy position of being able to make like overtures to the province of Saskatchewan. As hon. members know, an agreement similar to the agreement made with Alberta has been made with the province of Saskatchewan. There is an additional feature in the agreement with Saskatchewan over and above that of the agreement with Alberta, just as there is one feature in the Alberta agreement which does not appear in the Manitoba agreement. That additional feature appears as a result of certain representations made to us by the province, and it refers to certain questions which the province of Saskatchewan felt it would wish to have referred to the courts. Section 23 of the Saskatchewan agreement shows just what those questions are. That clause was not inserted in the Alberta agreement because that province did not raise any questions of the character which were raised by the province of Saskatchewan. In explanation of the attitude taken by the federal government in accepting the questions there raised, I may say that throughout the entire transactions we have sought in our relations with the different governments to be as conciliatory as it was possible for one government to be toward another. We did not desire to restrict our actions of dealing with the provinces in any rigid manner. If there was a feeling in the minds of the governments of any of the provinces that they had rights which should be granted, that there were grievances which should be removed, or that there was something additional which in fairness and justice they believed they should receive, we sought to have them feel that we were quite prepared, as in fact we were, to go to any length that they might be left without any grievance or cause of complaint. That is the reason why an additional feature has been added to the Saskatchewan agreement.

Having added that feature to the Saskatchewan agreement, we felt in accordance with our policy of treating all the Western provinces alike, that it was at least right to see that Alberta was placed in a similar position, regardless of whether we believed its position would thereby be improved in the least, and that is being done by the amendment which is proposed to the bill now before the house.

Mr. CAMPBELL: Section 23 of the Saskatchewan agreement does not contain those particular questions. I would like to know where we can find them.

Mr. CANNON: An order in council has been passed.

Mr. BENNETT: They were framed before the agreement was signed.

Mr. MACKENZIE KING: The questions were framed and have been agreed upon, and I presume they will be made public in ue course, as soon as the order in council which orders the reference is passed.

Mr. CAMPBELL: We will not have an opportunity to consider them before the agreement is passed.

Mr. MACKENZIE KING: The questions themselves do not affect the agreement. I will read the clause in the agreement so that my hon. friend will see that what the questions are does not affect, and will not likely affect one way or the other, the action of any one in approving of the agreement. The section reads:

23. Provision will be made pursuant to section fifty-five of the Supreme Court Act, being chapter thirty-five of the revised statutes of Canada, 1927, to submit for the consideration of the Supreme Court of Canada questions agreed upon between the parties hereto as being appropriate to obtain the judgment of the said court, subject to appeal to His Majesty in Council in accordance with the usual practice, as to the rights of Canada and the province respectively, before the first day of September, 1905, in or to the lands, mines or minerals (precious or base), now lying within the boundaries of the province, and as to any alienation by Canada before the said date of any of the said lands, mines or minerals or royalties incident thereto.

As my hon. friend knows, the questions have been agreed to by both governments.

Mr. BENNETT: And before the agreement was signed.

Mr. MACKENZIE KING: Moreover, the questions were agreed to by this government in the form in which they were suggested by the government of Saskatchewan

[Mr. Mackenzie King.]

The financial terms with respect to Saskatchewan also should be placed on record. They are as follows:

21. In lieu of the provision made by subsection one of section twenty of the Saskatchewan Act, Canada will, from and after the date of the coming into force of this agreement, pay to the province by half-yearly payments in advance, on the first days of January and July in each year, an annual sum based upon the population of the province as from time to time ascertained by the quinquennial census thereof, as follows:

The sum payable until such population reaches one million two hundred thousand shall be seven hundred and fifty thousand dollars;

And thereafter the sum payable shall be one million one hundred and twenty-five thousand dollars.

Before concluding, I should say that in dealing with the three prairie provinces and the maritime provinces, the government had placed before it as well certain claims made by the province of British Columbia. Those claims related to lands in what are known as the Peace River block and the railway belt. Having dealt with the maritime claims by means of a royal commission, having dealt with the Manitoba resources in the same way, a similar method was adopted in dealing with the claims made by the province of British Columbia. In other words, the government for its guidance in this matter sought to place in the hands of impartial experts the determining of essential factors. The commission reported that although there were no legal claims, there were certain claims in equity. We might have left the matter there, but having before us the same spirit in dealing with British Columbia that we had in our dealings with the provinces already referred to, we took a broad and liberal attitude towards that province and reached an agreement with the province of British Columbia whereby these lands will be returned to that province and a subsidy of a considerable amount will also be paid hereafter to that province.

I mention this agreement with British Columbia in order that hon. members may see in its entirety what the government has had in mind during the recent past and what is being accomplished at the moment. We have sought to discover the grievances of the different provinces where they arose out of any relationship as between the Dominion and the provinces and remove those grievances by effecting settlements in a broad and liberal way. By taking that attitude towards one part of the Dominion and then towards another, we have, I believe, succeeded in bringing all into one accord. We have suc-

ceeded in obtaining common consent in the enactment of the measures which this House of Commons has before it at the present time. In a word, we have to some extent, I believe, strengthened the superstructure of confederation by the agreements made with Manitoba, Alberta, Saskatchewan and British Columbia and we have also reinforced the foundations of confederation by an equitable readjustment of financial relations between the Dominion and the provinces in the matter of subsidies in a manner which will give to the several provinces from now on a much more liberal contribution by way of subsidy from the federal treasury. The same is true with respect to what we have accomplished as regards the maritime provinces. We have acknowledged to the full the principle of provincial autonomy. We have given practical recognition in our policies to the axiom that the prosperity and well-being of Canada must be based upon the most cordial cooperation between the Dominion and the provincial governments. I should point out that in these matters our dealings have been not with Liberal but with Conservative or Progressive governments. We have taken an attitude far above that of party. We believe that thereby we have established a firm bond for mutual confidence and effective cooperation between the Dominion and the provinces in years to come.

May I say this word in conclusion? When I have been discussing in this house on previous occasions the questions of contributions from the federal treasury to the provinces for highways, technical education, unemployment and other matters, I have had very much in mind these extended contributions which hereafter will be made from the Dominion to the provinces, not by way of special grants for particular purposes but by way of general subsidies which the provinces will be free to use in whatever manner they deem to be most advisable. That was the method of dealing as between the Dominion and the provinces which was adopted when confederation came into being. The provinces were given control of certain resources; they were assigned certain fields of legislation and they were granted certain subsidies in addition to what they might raise by taxation to enable them to meet the obligations which came within their particular jurisdiction. I believe it is in the interest alike of the provinces and of the Dominion and certainly of the taxpayers of the country that we should adhere as closely as possible to that original method. If our subsidies are not in fairness what they should be to any or all of the provinces, there should be a general readjustment of the subsidies themselves. In these measures we have gone a long way towards effecting that readjustment. If in dealing with the western provinces in the liberal manner in which we have, it should appear to our friends in the maritimes, after we have concluded the implementing of the many recommendations of the Royal Commission on Maritime Claims, that they still have other claims which they feel should be considered, whether these claims arise in Nova Scotia, New Brunswick or in Prince Edward Island, from which provinces we already have had claims presented to us which claims are in part before the audit board at the present time, then those claims should be investigated and should be decided on their merits. That at least is the policy of the present administration, a policy which in having regard for all has regard for each and which equally in having regard for each needs to have a due regard for the rights and wellbeing of all.

Mr. Marcil moved the adjournment of the debate.

Mr. C. H. CAHAN (St. Lawrence-St. George): Before the debate is adjourned might I make a short personal explanation, as I will not be in the house for several days?

Mr. MACKENZIE KING: All right.

Mr. SPEAKER: If it is a personal explanation.

Mr. CAHAN: It is not my intention to make any lengthy statement. I would like to call the attention of the Minister of Justice (Mr. Lapointe) to the fact that in making a quotation from my address of February 18, 1929, he inadvertently read a portion only of a statement which I made. I was discussing the motion on natural resources made by the late member for Frontenac-Addington, the Hon. Doctor Edwards. I may say I played a considerable part in drafting that resolution at the Winnipeg convention. One part of that read:

> And that the claims of these provinces—

that is the provinces of the middle west,

> —to compensation for loss for lands and resources alienated, and the claims of any other provinces in connection with this subject should be investigated with a view to satisfactory and equitable adjustment.

I helped to draft that resolution originally and I voted in favour of it when it came before the house. This is what I said in the house as reported on page 224 of Hansard of last year:

> I look with considerable doubt upon the claim of the three western provinces for compensation for lands already alienated, but I am not sufficiently acquainted with the bases of those claims to assert whether they are valid

or not. But I do assert that it is not only inopportune, but it would be inadvisable for the members of this house to deny to these three western provinces the right to present their claim before a competent tribunal. I take the position that the amendment should not be passed by this house.

That was an amendment to preclude the right of these provinces to compensation, an amendment which was moved by Mr. Speakman and seconded by Mr. Lucas and which was subsequently withdrawn. It was that amendment I was discussing.

I take the position that the amendment should not be passed by this house. We should not deny to the maritime provinces the right to have their claims investigated and, on the other hand, we should not deny to the three western provinces the right to present their claims and any authentic evidence or legal argument which they can present in support of those claims, in order that they may be adjudicated by a competent tribunal.

The Minister of Justice quoted only a part of that statement as if it applied to the matter which I had under discussion in that part of my address of yesterday afternoon to which he made reference. That address of yesterday afternoon was intended in that part of it to apply only to section 17 of the Alberta Constitutional Act and section 17 of the Constitutional Act of Saskatchewan. I am as well aware as the Minister of Justice that every person who has a grievance has a right to go into court to contest the validity of any statute passed by this parliament or any legislature. I was not contending that that right should be in any way infringed upon. I merely made a suggestion and the suggestion which I made was that it would have been far better, in effecting the settlements with the western provinces, if these provinces had frankly admitted the validity of the various judgments by the Supreme Court of Canada and had for all time settled, taken out of controversy, these which I regard as very meagre rights, which have been reserved to the minorities in those provinces, and which have not detracted from their equality with other provinces, because the rights reserved to them under section 17 of those acts are very meagre compared with the rights of the Protestant minority in the province of Quebec or with those rights reserved to the Catholic minority in the province of Ontario. I meant nothing more than that. I had no intention of precluding any aggrieved person from contesting what he regarded as an unconstitutional act.

Motion agreed to and debate adjourned.

On motion of Mr. Mackenzie King the house adjourned at 5.55 p.m.

[Mr. Cahan.]

Thursday, May 1, 1930.

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

IMMIGRATION DURING LAST CALENDAR YEAR

Mr. MANION:

1. How many immigrants were admitted into Canada during the calendar year 1929?

2. From what countries did they come and the number from each country?

3. How many Mennonites were admitted into Canada in 1929?

Mr. STEWART (Edmonton):

1. 164,993.

2. The answer to this question can be given only by racial origin, which does not in every case indicate the country of birth. By origins admissions during the calendar year 1929 were as follows:—

British—	
English	33,541
Irish	10,515
Scotch	19,498
Welsh	3,247
Total	66,801
From the United States	31,852
Northern European Races—	
Belgian	862
Dutch	1,252
Finnish	4,614
French	775
German	13,473
Scandinavian—	
Danish	2,852
Icelandic	8
Norwegian	2,549
Swedish	3,073
Swiss	510
Total	29,968
Other Racial Origins—	
Albanian	21
Arabian	4
Other Racial Origins—	
Armenian	16
Austrian	434
Bohemian	20
Bulgarian	301
Coration	739
Czech	434
Dalmatian	7

Other Racial Origins—*Concluded*	
East Indian	49
Esthonian	98
Greek	684
Hebrew	3,353
Italian	1,243
Japanese	180
Jugo-Slav	935
Lettish	77
Lithuanian	934
Magyar	5,375
Maltese	40
Moravian	20
Negro	186
Persian	1
Polish	6,197
Portugese	14
Roumanian	344
Russian	674
Ruthenian	10,973
Serbian	357
Slovak	2,572
Spanish	28
Spanish-American	1
Syrian	55
Turkish	6
Total	36,372

3. It is impossible to supply the information asked for in question 3, as the term "Mennonites" is a religious one and statistics showing religious persuasions of immigrants are not compiled.

SOLDIER SETTLEMENT BOARD

Mr. SPENCER:

1. How much in the aggregate had been written off by the Soldier Settlement Board since January, 1921?

2. In what years and in what amounts were these deductions made?

Mr. STEWART (Edmonton):

1. To February 28, 1930		$26,794,918 10
2. 1926-1927	$2,921,062 91	
1927-1928	64,327 91	
1928-1929	2,653,262 64	
1929-1930 (to Feb. 28)	3,456,264 64	$ 9,094,918.10
Estimated amount further land revaluation awards		1,200,000 00
Estimated total legislative reductions		$10,294,918 10
Further losses and anticipated losses:		
Completed adjustment cases	$6,000,000 00	
Incompleted cases	8,000,000 00	
Losses on current loans	2,500,000 00	$16,500,000 00
Total estimated reductions and losses		$26,794,918 10
Amount written off by Finance dept. prior to March 31, 1928: live stock reduction		$ 2,921,062 91
Amount transferred by Finance dept. from active assets to non-active assets		$24,000,000 00
Total		$26,921,062 91

For Department of Indian Affairs:

1. $38,229.48.
2. 1925-26, $15,458.38; 1928-29, $22,771.10.

DEPARTMENT OF MARINE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee to-morrow to consider the following proposed resolution:

That it is expedient to provide that there shall be a Department of Marine, presided over by a minister of the crown; that the powers and duties of the minister be defined, and provision made for the appointment of a deputy minister and the employment of such other officers, clerks and employees as may be deemed necessary.

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.

DEPARTMENT OF FISHERIES

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee to-morrow to consider the following proposed resolution:

That it is expedient to provide that there shall be a Department of Fisheries, presided over by a minister of the crown; that the powers and duties of the minister be defined, and provision made for the appointment of a deputy minister and the employment of such officers, clerks and employees as may be deemed necessary.

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.

SALARIES ACT

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee to-morrow, to consider the following proposed resolution:

That the Salaries Act be amended to provide that the Minister of Marine and the Minister of Fisheries shall each be paid a salary of $10,000 per annum.

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.

APPOINTMENT OF MR. GALIPEAULT

On the orders of the day:

Mr. JEAN FRANCOIS POULIOT (Témiscouata): Before the orders of the day are called I wish to renew the strongest protest against the possible appointment of Mr. Galipeault as a judge.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF HON. CHARLES A. DUNNING, MINISTER OF FINANCE

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

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

He said:

Mr. Speaker, before touching on the Dominion's finances for the fiscal year just ended may I survey a few of the events which have indirectly influenced the balance sheet. As we all know, national revenues are dependent on the volume of business transacted.

During the year certain unusual factors made themselves felt, in particular, the delayed marketing of the grain crops and the great decline in prices of stocks in the latter months of the year. While these factors are important they cannot be considered as permanently prejudicial to our economic structure.

Looking back over the year, it is noted that substantial development occurred throughout Canada. Many undertakings of magnitude were completed; others made promising progress. Employment throughout industry in general was maintained at a high level, although irregular in some groups, particularly in those which are seasonal, dependent on crops or on a luxury buying demand.

There is, I think, some national significance in the fact that the railways last fall were not called upon to move harvesters to the prairies. It is true that the crop was much smaller than that of the year before, but in many a year when the volume was no larger men had to be brought from the east. It would appear that the increasing population of the prairies, coupled with the many labour and time-saving machines now available to cut, thresh and haul the crops, is bringing about the solution of a problem which has long engaged the attention of Canadians—that of seasonal supplies of labour during the harvest period. Western farmers are also advancing along cooperative lines designed to promote orderly marketing of crops. Too much importance cannot be attached to these efforts. Canada's grain producing power is tremendous. In marketing she must compete with the world. Cooperative effort in the direction of the most economical marketing methods should command the sympathetic support of all Canadians.

While nature, in no small way, influences the volume of produce grown, the same does not apply to the output of our factories. A short time ago a distinguished former Minister of Finance, Sir Thomas White, in addressing the shareholders of a corporation of which he is an officer, made the interesting comment that Canada now ranks seventh in world manufacture, and that the value of industrial production during 1929 was around 4,000 millions of dollars, an increase of about 200 million dollars since the close of 1928. He also stated that the statistics of value added by manufacture, per worker, show that the industrial efficiency of Canada is close to the level established in the United States, which is regarded as the highest in the world. Industrialists recognize that scientific research, coupled with ingenious mechanical inventions, has played an important part in bringing about this increase in per capita production, and

it is evident from the figures just quoted that Canadian industry is more than keeping abreast of world development in that respect.

During the past winter some good Canadians became anxious as to the purchasing demand within the Dominion. They were influenced by the falling off in exports due to the slow movement of field crops, and a hesitancy in buying, due to the stock exchange market depression. They recognized that while only a small proportion of our population were speculators in shares, the losses of these had a psychological effect on other groups, thus creating a buyer-market in place of one limited only by the producing capacity of Canadian industry. Might I submit that were the capacity of our productive units greater than the normal non-speculative demand for our products there would be cause for alarm, but such is not the case. The development of our natural resources and industries based thereon has been accompanied by a steady widening of our markets. The outlet for our manufactured goods increases as their reputation grows and finds favour both at home and abroad. In the stock market crisis our credit agencies stood the test and were always in a position to meet the demands made upon them. These factors forecast the future strength of Canada. That Canadian business, giving the phrase the broad meaning, should be submitted to a double test simultaneously is regrettable, but the result gives us greater confidence and faith in our country. We have marshalled our resources to meet the problems arising from delayed marketing of the grain crops and, at the same time, absorbed the shock resulting from tens of millions of dollars being suddenly withdrawn from the ordinary reservoirs of credit.

I now come to the presentation of the financial statement for the year. In doing so I claim no personal credit for the favourable statement I have the honour to present. The fiscal policy for the year was planned by one who has now passed from our midst, and whose absence I feel to-day most keenly. Mr. Robb was in command during the first seven months of the period, and the stamp of his personality is to be found throughout the balance sheet and, in particular, on the debt statement.

With the Scot's characteristic dread of debt he annually budgeted for debt reduction, and in the past seven years attained for Canada greater success, relatively, than has been achieved by any country which took part in the great war from the outbreak of hostilities. Annually the debt has decreased and, in the year under review, a record which may stand as a monument to his memory was made when two loans, totalling $80,000,000, were redeemed out of accumulated revenue surpluses.

During the year the Board of Audit, on the instructions of the Treasury Board, made a survey of the operations of the Soldier Settlement Board. Their report was laid on the table of parliament on February 24, and it will be recalled that one of the board's recommendations was that a further sum of $10,000,000 of Soldier Settlement Board loans be transferred from active to non-active assets. It is the opinion of the Board of Audit that this amount, together with the $14,000,000 which was transferred to non-active assets in 1927-28 should provide for all losses which might reasonably be anticipated. In accordance with this recommendation the transfer was made.

REVENUES

Dealing first with the revenues, may I state that while the fiscal year ended on the 31st of March, the final accounting has not been completed. Consequently, minor changes may later be made in the figures now given.

Last session a number of what are generally known as "nuisance" taxes were abolished, and a substantial reduction was made in the sales tax. These reductions, it is estimated, have decreased our revenues by $20,835,000. There will also be a reduction in the net revenues from customs duties of over $7,600,000.

On the other hand, certain revenue sources show increases. The estimated revenues from the income tax are $9,700,000 in excess of the amount collected a year ago. The post office revenues are estimated at $2,700,000 above last year's; excise duties have increased by $1,295,000, and returns from investments $1,000,000. In all, $378,321,000 is the estimated revenue from taxation, while receipts from other sources are estimated at $61,985,000, thus making the estimated ordinary revenues for the fiscal year $440,306,000. To this should be added special receipts and credits of $7,016,000, making the estimated total of all revenues $447,322,000, as compared with actual revenues of $461,647,000 in the fiscal year 1928-29.

With the permission of the house I place on Hansard a comparative statement of the estimated revenues for the fiscal year 1929-30 and the actual revenues received during the previous fiscal year:

REVENUES

—	Actual 1928-29	Estimated 1929-30	Increase	Decrease
ORDINARY REVENUE	$	$	$	$
Taxation Revenue—				
Customs Import Duties	187,206,332	179,540,000	.....	7,666,332
Excise Duties	63,684,954	64,980,000	1,295,046	.....
War Tax Revenues—				
Excise Taxes (Sales, stamps, etc.)	83,007,283	63,000,000	.....	20,007,283
Income Tax	59,422,323	69,155,000	9,732,677	.....
Delayed Business Profits Tax	455,232	172,000	.....	283,232
Miscellaneous Taxes	2,144,904	1,474,000	.....	670,904
Total Revenue from Taxation	395,921,028	378,321,000	11,027,723	28,627,751
Interest on Investments	12,227,562	13,300,000	1,072,438	.....
Post Office Revenue	30,611,964	33,345,000	2,733,036	.....
Dominion Lands and Parks	4,070,339	4,100,000	29,661	.....
Canada Grain Act	2,992,541	1,950,000	.....	1,042,541
Miscellaneous Receipts	9,640,440	9,290,000	.....	350,440
Total Ordinary Revenue	455,463,874	440,306,000	14,862,858	30,020,732
SPECIAL RECEIPTS AND CREDITS				
German Reparation Payments—				
Under Dawes Plan	4,025,165	4,600,000	574,835	.....
Sundry Credits including Canadian Wheat Board Surplus	.....	173,000	173,000	.....
Refunds and credits on account of Previous Years' Expenditure—Adjustment of War Claims	789,247	35,000	.....	754,247
Capital Account	706,296	2,208,000	1,501,704	.....
Received from Imperial government in final settlement of outstanding claims and counter claims arising out of the war	662,442	.....	.....	662,442
	461,647,024	447,322,000	17,112,397	31,437,421
				17,112,397
Estimated decrease	.....	.....	.....	14,325,024

EXPENDITURES

For the last fiscal year the ordinary expenditures are estimated at $360,050,000 as compared with $350,952,924 actually spent in the previous fiscal year.

$25,342,000 is estimated for expenditures on capital account, all being paid out of the revenues for the year. The more important items are $10,000,000 for the new Welland ship canal, and $6,500,000 for the Hudson Bay railway and terminals. In connection with the St. Lawrence river ship channel, it is estimated that $2,700,000 were spent and, in addition, the construction of regulating and retaining dams in that river cost $400,000. Half a million dollars were spent in improving the harbours at the head of the great lakes, while $1,500,000 is the estimated expenditure on account of the construction of the lower lakes terminals. The other major items under capital account are $1,900,000 spent in constructing new public buildings in Ottawa.

Before leaving this phase of our expenditures, may I be permitted to address a brief comment to those who study and compare the public accounts over periods of years. All governments make expenditures on capital account and frequently such undertakings are carried out by the use of borrowed capital. With that practice I find no fault, but may I emphasize the fact that in the past seven fiscal years it has been possible to carry out all capital expenditures of the Dominion without borrowing. The 132 millions of dollars thus spent have been provided out of the revenues collected in the usual way. In addition 74 millions have been paid out of revenue in the form of non-active loans to the railways and other publicly-controlled bodies without borrowing for the purpose.

Loans and advances of the character just referred to have been made during the year and, being non-revenue producing, are treated as expenditures. Under this head the largest item is $2,933,000 for the deficits of the Canadian National Railways. $1,629,000 was paid to the Canadian Government Merchant Marine, and $862,000 to the Canadian National (West Indies) Steamships, Limited. The other advance under this head is the sum of $2,821,000 to the Quebec harbour commission.

For the information of hon. members, may I be permitted to place on Hansard a detailed comparison of the estimated expenditures for the last fiscal year with the actual expenditures for the fiscal year 1928-29.

EXPENDITURES

—	Actual 1928-29	Estimated 1929-30	Increase	Decrease
ORDINARY EXPENDITURE	$	$	$	$
Interest on Public Debt	124,989,950	121,750,000	.....	3,239,950
Pensions	41,487,323	40,350,000	.....	1,137,323
Subsidies to Provinces	12,553,724	12,497,000	.....	56,724
Soldier and General Land Settlement Administration	1,441,951	1,350,000	.....	91,951
Pensions and National Health	8,825,960	9,780,000	954,040	.....
National Revenue	12,876,760	13,300,000	423,240	.....
Post Office	33,483,058	35,400,000	1,916,942	.....
National Defence	18,024,061	20,400,000	2,375,939	.....
Agriculture	7,201,566	9,400,000	2,198,434	.....
Public Works—Income	17,003,254	18,100,000	1,096,746	.....
Ocean and River Service	3,683,256	4,950,000	1,266,744	.....
Lighthouse and Coast Service	2,812,900	3,350,000	537,100	.....
Fisheries	1,974,118	2,120,000	145,882	.....
Dominion Lands and Parks	4,986,962	5,380,000	393,038	.....
Trade and Commerce	4,476,131	5,180,000	703,869	.....
Special Grants to Maritime Provinces	1,600,000	1,600,000	.....	.....
Maritime Freight Rates Act:				
Due to 20% Reduction in Freight Rates	2,758,893	2,874,000	115,107	.....
Deficit on Eastern Lines (C.N.R.)	4,418,645	4,527,000	108,355	.....
Old Age Pensions Act	832,687	1,560,000	727,313	.....
Federal District Commission	2,189,960	380,000	.....	1,809,960
Civil Government	11,819,981	12,420,000	600,019	.....
Other Expenditures	31,511,784	33,382,000	1,870,216	.....
Total Ordinary Expenditure	350,952,924	360,050,000	15,432,984	6,335,908
SPECIAL EXPENDITURES				
Reparations—				
Claims for Compensation	.....	6,700,000	6,700,000	.....
Adjustment of War Claims	119,848	95,000	.....	24,848
Miscellaneous Charges to Consolidated Fund	2,067,153	2,383,000	315,847	.....
CAPITAL EXPENDITURE				
Public Works—Canals	13,680,064	10,249,000	.....	3,431,064
Railways	6,449,849	6,551,000	101,151	.....
Miscellaneous	3,385,658	8,542,000	5,156,342	.....
LOANS AND ADVANCES NON-ACTIVE				
Canadian Government Merchant Marine	758,000	1,629,000	871,000	.....
Canadian National (West Indies) Steamships	.....	862,000	862,000	.....
Quebec Harbour Commission	2,888,000	2,821,000	.....	67,000
Canadian National Railways	.....	2,933,000	2,933,000	.....
	380,301,496	402,815,000	32,372,324	9,858,820
			9,858,820	
			22,513,504	

It has been the practice during the past several years also to place on Hansard a statement of the estimated revenues and expenditures, by services, showing, by means of percentages, their relationship to the whole and, with the consent of the house, this will

again be done. In doing so may I be permitted to emphasize the annual burden which still exists, and will continue for many years, on account of the great war. Over 39 per cent of the total expenditures is directly attributable to the war, while receipts from the war taxes represent about 30 per cent of the revenues. The largest item of expenditure is the interest account which, it will be noted, decreased $3,239,950 during the year. War pensions amounting to thirty-nine millions represent almost 10 per cent of the total expenditure for the year. This statement will now be tabled:

ESTIMATED REVENUE FOR THE FISCAL YEAR 1929-1930 BY SERVICES WITH PERCENTAGES OF TOTAL REVENUES

——	Amount	Percentage of Total Revenue
ORDINARY REVENUE	$	
Special War Tax Revenue—		
Excise Taxes (Sales, Stamps, etc.)	63,000,000	14·08
Income Tax	69,155,000	15·46
Delayed Business Profits Tax	172,000	0·04
Miscellaneous Taxes	1,474,000	0·33
Total Special War Tax Revenue	133,801,000	29·91
Customs Import Duties	179,540,000	40·14
Excise Duties	64,980,000	14·52
Total Revenue from Taxation	378,321,000	84·57
Interest on Investments	13,300,000	2·97
Post Office Revenue	33,345,000	7·45
Dominion Lands and Parks	4,100,000	0·92
Canada Grain Act	1,950,000	0·44
Miscellaneous Receipts	9,290,000	2·08
Total Ordinary Revenue	440,306,000	98·43
SPECIAL RECEIPTS AND CREDITS		
German Reparation Payments—		
Under Dawes Plan	4,600,000	1·03
Sundry Credits including Canadian Wheat Board Surplus	173,000	0·04
Refunds and Credits on account of Previous Years' Expenditure—		
Adjustment of War Claims	35,000	0·01
Capital Account	2,208,000	0·49
	447,322,000	100

ESTIMATED EXPENDITURES

For the Fiscal Year 1929-30

By services with percentages of total expenditures

——	Amount	Percentage of Total Expenditure
Principal Expenditure attributable to the Great War	$	
Interest on Public Debt (Increase over 1914)	108,857,000	27·02
War Pensions	39,000,000	9·68
Treatment and after care of Returned Soldiers (Pensions & National Health)	8,757,000	2·17
Soldier Land Settlement Administration	1,350,000	0·34
Imperial War Graves Commission	574,000	0·14
Battlefields Memorials	170,000	0·04
Adjustment of War Claims	95,000	0·03
	158,803,000	39·42
Other Fixed and Public Debt Charges		
Interest on Public Debt (as of 1914)	12,893,000	3·20
Other Pensions	1,350,000	0·34
Superannuation	1,400,000	0·35
Subsidies to Provinces	12,497,000	3·10
Expenses of Loan Flotations	18,000	.....
Premium, Discount and Exchange	73,000	0·02
	28,231,000	7·01

ESTIMATED EXPENDITURES—Concluded

—	Amount	Percentage of total Expenditure
GENERAL EXPENDITURE	$	
Charges of Management	1,020,000	0·25
Civil Government	12,420,000	3·08
Administration of Justice	2,200,000	0·55
Legislation	2,330,000	0·58
Penitentiaries	2,677,000	0·66
Agriculture	9,400,000	2·33
Immigration and Colonization	2,750,000	0·68
Pensions and National Health—Health Branch	1,023,000	0·25
National Defence	20,400,000	5·06
Royal Canadian Mounted Police	3,007,000	0·75
Public Works—Chargeable to Income	18,100,000	4·49
Railways and Canals—Chargeable to Income	1,233,000	0·31
Mail Subsidies and Steamship Subventions	1,121,000	0·28
Ocean and River Service	4,950,000	1·23
Lighthouse and Coast Service	3,350,000	0·83
Steamboat Inspection	145,000	0·04
Fisheries	2,120,000	0·53
Mines and Geological Survey	910,000	0·23
Scientific Institutions	1,116,000	0·28
Indians	5,150,000	1·28
Government of the Northwest Territories	605,000	0·15
Government of the Yukon Territory	224,000	0·05
Miscellaneous	1,466,000	0·36
National Revenue (Outside Service)	13,300,000	3·30
Post Office (Outside Service)	35,400,000	8·79
Public Works—Collection of Revenue	930,000	0·23
Railways and Canals—Collection of Revenue	2,523,000	0·63
Dominion Lands and Parks	5,380,000	1·33
Trade and Commerce	5,180,000	1·29
Labour	828,000	0·21
Public Printing and Stationery	210,000	0·05
External Affairs	720,000	0·18
Miscellaneous Consolidated Fund Charges	2,365,000	0·59
Capital Expenditure—		
Public Works—Canals	10,249,000	2·54
Public Works—Railways	6,551,000	1·63
Public Works—Miscellaneous	8,542,000	2·12
	189,895,000	47·14
Total Estimated Expenditure on Government Services	376,929,000	93·57
OTHER EXPENDITURES		
Maritime Freight Rates Act—Estimated amount required—		
Due to 20% reduction in freight rates	2,874,000	0·71
Deficit on Eastern Lines (C.N.R.)	4,527,000	1·13
Special Grant to the Maritime Provinces	1,600,000	0·40
Old Age Pensions Act	1,560,000	0·39
Federal District Commission Act	380,000	0·09
Reparation Payment Act, 1929 (Claims for Compensation)	6,700,000	1·66
Loans to Quebec Harbour Commission	2,821,000	0·70
Loans to Canadian Government Merchant Marine	1,629,000	0·41
Loans to Can. Nat. (West Indies) Steamships Ltd	862,000	0·21
Loans to Canadian National Railways	2,933,000	0·73
Grand Total	402,815,000	100

The revenue and expenditure statements may now be summarized. The ordinary and special receipts amount to $447,322,000. The total expenditures for all purposes amount to $402,815,000, thereby leaving an estimated surplus of revenues over all expenditures of $44,507,000.

THE NATIONAL DEBT

During the year two loans fell due and were retired by utilizing surplus revenues available after the expenditures of the Dominion had been met. The first loan to mature was the ten-year 5½ per cent loan of 1919. It was for

$60,000,000, and fell due in New York on the first of August. Previous to the date of maturity $5,400,000 of these bonds were purchased in the open market and, as a result, a saving of $146,000 in interest was effected. The balance of the loan was redeemed in cash at maturity.

On the 1st of February, 1930, the four-year four and a half per cent $20,000,000 loan issued in 1926 matured, and was paid off out of surplus revenues. The retirement of these two issues, aggregating $80,000,000, creates a new peak in debt retirement, and will result in the saving of $4,200,000 in interest charges this year.

The annual interest charges on outstanding bonds, debentures and treasury bills in the hands of the public now amount to $112,900,000. This is $20,500,000 less than the corresponding interest charges were at the commencement of the fiscal year 1922-23. The reduction has been brought about by savings of $5,100,000 through the refunding of loans at lower interest rates and $15,400,000 by the actual retirement of maturing loans.

Since the 1st of April, 1925, substantial reductions have been made in the outstanding public debt by the redemption of maturing loans, in whole or in part, out of surplus revenues. These retirements, together with the bonds and stock acquired as sinking funds, make a total of $257,800,000 of debt retired out of surplus revenues during the past five years.

For the information of honourable members I now place on Hansard a statement showing the debt retired each year.

OUTSTANDING PUBLIC DEBT RETIRED OUT OF SURPLUS REVENUE DURING THE YEARS 1925-1926 TO 1929-1930

Fiscal Year	Maturing Loans Retired	Bonds and Stocks acquired for Sinking Funds	Total
1925-26	$ 18,571,834	$ 3,584,841	$ 22,156,675
1926-27	33,000,000	3,313,141	36,313,141
1927-28	61,759,650	3,418,686	65,178,336
1928-29	52,167,100	3,462,312	55,629,412
1929-30	74,577,800	4,011,575	78,589,375
Total during 5 years	$240,076,384	$17,790,555	$257,866,939

At the close of the fiscal year the unmatured funded debt was $2,250,837,336. Of this amount $56,090,000 are held as sinking funds, leaving $2,194,746,563 outstanding in the hands of the public.

The debt financing program of the present year will not be a serious problem. There is one maturing loan. It consists of 4 per cent treasury notes to the amount of $45,000,000, and falls due on December 1st. There is, of course, under consideration the much larger question of re-financing the 1933 and 1934 loans totalling $982,000,000, in order that the Dominion may secure the lowest possible interest charges and at the same time refinance without restricting the money credits necessary for the development of Canada. In recent years it has been possible to redeem maturing loans out of surplus revenues, thus immediately relieving the Canadian taxpayer. It is obvious that the large maturities of 1933 and 1934 cannot be met out of surplus revenues. Careful consideration is now being given to the best method of spreading maturity dates of refunding loans and also to the desirability of broadening the application of the sinking fund principle, so that when these major re-financing operations are undertaken the requirements of this decade, as well as the possible problems of the future, will be met in a sound and comprehensive manner.

With the permission of the house, I will now place on record a statement showing the unmatured funded debt held by the public.

UNMATURED FUNDED DEBT HELD BY THE PUBLIC

Maturing dates by years

Date of maturity	Name of loan	Rate	Where payable	Amount of loan	Amount maturing during year
		%		$ cts.	$ cts.
1930 Dec. 1	3 Year Notes	4	Canada and New York.		45,000,000 00
1931 April 1	Pub. Service Loan 1916.	5	New York	25,000,000 00	
Oct. 1	War Loan 1916-31	5	Canada	52,931,600 00	
					77,931,600 00
1932 Nov. 1	Renewal Loan 1922	5½	Canada		73,325,150 00
1933 Nov. 1	Victory Loan 1918	5½	Canada		446,659,950 00
1934 Nov. 1	Victory Loan 1919	5½	Canada	511,910,650 00	
June 1	Loan of 1884	3½	London	23,467,206 27	
					535,377,856 27
1935 Aug. 1	Loan 1915-35	5	Canada and New York.		874,000 00
1936 Feb. 1	Loan 1926-36	4½	New York		40,000,000 00
1937 Dec. 1	Victory Loan 1917	5½	Canada	236,299,850 00	
Mar. 1	War Loan 1917-37	5	Canada and New York.	90,166,900 00	
					326,466,750 00
1938 July 1	Loan 1888	3	London	8,071,230 16	
July 1	Loan 1892	3	London	18,250,000 00	
July 1	Loan 1894	3	London	10,950,000 00	
July 1	C.P.R. Loan	3½	London	15,056,006 66	
					52,327,236 82
1940 Sept. 1	Refunding Loan 1925	4½	Canada		75,000,000 00
1943 Oct. 15	Refunding Loan 1923	5	Canada		147,001,100 00
1944 Oct. 15	Refunding Loan 1924	4½	Canada		50,000,000 00
1946 Feb. 1	Refunding Loan 1926	4½	Canada		45,000,000 00
1947 Oct. 1	Loan 1897	2½	London		4,888,185 64
1950 July 1	Loan 1930-50	3½	London		137,058,841 00
1952 May 1	Loan 1942-52	5	New York		100,000,000 00
1960 Oct. 1	Loan 1940-60	4	London		93,926,666 66
					2,250,837,336 39

	$ cts.
Payable in Canada	1,637,254,300 00
Payable in Canada and New York	136,040,900 00
Payable in New York	165,874,000 00
Payable in London	311,668,136 39
	2,250,837,336 39
Less Bonds and Stocks of the above loans held as Sinking Funds	56,090,772 82
	2,194,746,563 57

FINANCING OF SUBSIDIARY ENTERPRISES

A brief review will now be made of the financial commitments of the government in the past year in connection with the operations of the Canadian National Railways and Steamships, the several harbour commissions and the Canadian Farm Loan Board. These separately operated bodies receive assistance from the treasury, under the authority of parliament, either directly, in the form of cash loans, or indirectly, by way of the guarantee of securities. The practice, in past years, so far as the public accounts are concerned, has been to treat cash loans which pay interest as active assets and those that are not interest-producing as non-active assets. The guaranteed securities, which are issued in respect of capital investments, are shown in the balance sheet as indirect liabilities. The same course has been followed this year.

Canadian National Railways

Under the extraordinary business conditions prevailing last fall, particularly with reference to the crop movement, earnings of railways were severely reduced. The accounts of the

Canadian National Railways for 1929 show net earnings of $36,389,058 available to pay interest on securities in the hands of the public. Interest charges amounted to $45,258,-920, the resulting deficit being $8,869,862. This result reflects not only the loss in revenues due to the causes mentioned, but also the increase in fixed charges resulting from the large necessary expenditures which have been undertaken in recent years on capital account for branch lines, terminals, rolling stock, and other additions and improvements.

Without going into greater detail, it will suffice to say that the government has paid the amount which officers of the company have certified as being the combined net cash deficit for the railway years 1928 and 1929, and which amounted to $2,932,652.91. The amount paid was greater than the actual difference between the system deficit of 1929 and the surplus of 1928, due to the fact that certain items which take their place in the accounts are eliminated when estimating cash requirements, the most important item being the 1929 surplus on the Grand Trunk Western which is now dealt with separately for financing.

The current financial requirements of the Canadian Government Merchant Marine Limited, amounting to $1,628,907.21, mainly for operating deficits, and of the Canadian National (West Indies) Steamships Limited of $862,389.98, for operating deficits and interest, have also been paid in cash as loans (non-active) to these corporations. In addition, $4,526,645 has been paid as a charge on the consolidated revenue fund in respect of the eastern lines, Canadian National Railways, for deficits arising over and above the amount represented by the reductions in tolls under the Maritime Freight Rates Act. The amount, therefore, which the government paid in the past fiscal year as a direct charge on its revenues in respect of these transportation services, is $9,950,595.10, made up as follows:

Canadian National Railway Company	$2,932,652 91
Canadian Government Merchant Marine Limited	1,628,907 21
Canadian National (West Indies) Steamships Limited	862,389 98
Eastern Lines, Canadian National Railways	4,526,645 00
	$9,950,595 10

Guaranteed Securities

The guarantee of the Dominion was given in 1929 to bond issues of the Canadian National Railway Company, aggregating $120,-000,000. There were two issues of $60,000,000 each, one dated July 1, 1929, and the other October 1, 1929, bearing interest at 5 per cent and maturing in forty years, subject to prior redemption. The issues were sold by tender to the highest bidder. The proceeds of these flotations were devoted, in part, to the payment of $40,000,000 of temporary bank loans outstanding at the end of 1928. The remainder has been or will be used for capital purposes as voted in the general railway budget or authorized under special acts relating to the acquisition of railways and construction of branch lines and terminals.

With the permission of the house, I shall place on Hansard a statement indicating the authority under which these borrowings were made and guaranteed, and the amount of securities issued in each case.

CANADIAN NATIONAL RAILWAY COMPANY GUARANTEED BOND ISSUES IN 1929

Authority	Securities issued
Railway Loan Appropriation, 1929-30	$ 49,656,805 31
Branch Lines Construction, Special Acts	8,710,609 60
Toronto Terminals Railway Act	232,516 03
Canadian National Montreal Terminals Act	7,300,000 00
Acquisition of Railways, Special Acts, 1929:	
Quebec, Montreal & Southern Railway	6,198,645 41
Inverness Railway	387,415 34
Kent Northern Railway	61,986 45
Quebec Oriental Railway, and the Atlantic, Quebec & Western Railway	3,615,876 49
Northern Alberta Railways	3,409,254 97
Repayment $40,000,000 Temporary Loan, 1928, issued under the Appropriation Acts of 1927 and 1928 and the Canadian Northern Income Charge Act, 1928 (refunding)	40,426,890 40
	$120,000,000 00

Reference should also be made to two other guaranteed issues which fall outside the 1929 railway fiscal year but within that of the government. An issue of $18,000,000 4½ per cent Dominion guaranteed bonds of the Canadian National Railway Company matured on February 15, 1930, and was provided for by

the issue of a like amount of 5 per cent forty-year bonds, guaranteed under the Canadian National Refunding Act of 1929.

Under legislation passed in 1927, an expenditure not exceeding $10,000,000 was authorized in connection with the establishment by the Canadian National (West Indies) Steamships, Limited, of a mail, passenger and freight steamship service between Canada and the West Indies. The cost of five new ships and the expenses of converting vessels transferred from the merchant marine fleet were financed during construction by bankers' loans. As of March 1, 1930, an issue of five per cent twenty-five year bonds amounting to $9,400,000 was made and guaranteed, this being the amount necessary to provide for the capital cost of establishing the service. The temporary bank loans have been paid off. Both these issues were sold by tender to the highest bidder.

HARBOUR COMMISSIONS

During the fiscal year, the treasury has been called upon to finance capital expenditures of the several harbour commissions, amounting to $10,436,000. Details of the loans made to them are shown in the statement which I now place on record.

LOANS TO HARBOUR COMMISSIONS IN 1929-30

Montreal Harbour Commission	$4,336,000	
Less matured loan repaid	1,000,000	
		$ 3,336,000
Quebec Harbour Commission		2,821,000
Three Rivers Harbour Commission		136,000
Chicoutimi Harbour Commission		815,000
Saint John Harbour Commission		1,711,000
Halifax Harbour Commission		1,272,000
Vancouver Harbour Commission		345,000
		$10,436,000

During the year, the Board of Audit, upon direction of the Treasury Board, made investigations into the financial affairs of the various harbour commissions. Reports have been received from the board and tabled in the house. Some recommendations are made, particularly with respect to provision for sinking funds and replacements, which will have the attention of the government and commissions concerned.

CANADIAN FARM LOAN BOARD

The Canadian Farm Loan Act authorizes the government to provide an initial capital not exceeding $5,000,000 for the operations of the board, and also requires the Dominion to subscribe for capital stock to the extent of five per cent of the loans outstanding. Initial capital paid by the Dominion treasury to the board in 1929-30, the first year of the board's operations, amounted to $2,400,000, and subscriptions to capital stock to $59,023.

TRADE

The past fiscal year was marked by a decline of $244,000,000 in the value of our visible exports. In the trade between Canada and the countries of South America there were increases in both imports and exports. There was a decrease in the unfavourable visible trade balance between Canada and the United States of $35,800,000 during the fiscal year. There was no material change in the trade with Africa, but both imports and exports decreased between Canada and the Asiatic countries. No appreciable increase is to be noted in the imports from either Great Britain or the European countries, but major decreases in transatlantic exports reduced the visible trade balance with that area. In all, the preliminary statistics for the last fiscal year show imports to the value of $1,248,200,000, of which 429 millions entered duty free. The exports were valued at $1,144,900,000, thus leaving an adverse balance in visible trade of $103,300,000.

Canada's largest volume of trade continues to be with the United States. During the year our total imports from that country decreased $20,500,000, as compared with the previous year, while Canada's total exports to the republic increased $15,300,000.

The decrease in exports to the United Kingdom and the European countries is apparently in grains. Total exports to the United Kingdom decreased 148 millions of dollars, but during the period our exports of grain to the United Kingdom decreased by 138 millions

of dollars. The same influences have affected the sales to the continent of Europe. There was, in comparison with the previous year, a decrease of 80 million dollars in the value of our exports to the continent, but the decrease in value of exports of grains amounted to $81,000,000. In consequence, as there are still large quantities of grain available for marketing, it is reasonable to anticipate a gradual readjustment of our trade balance with the United Kingdom and Europe.

In comparing the imports from all countries, a large increase is to be found in the petroleum group, owing to imports of crude petroleum having increased by over $13,000,000. Another increase among specific groups was in electrical apparatus where imports expanded by over twelve million dollars. Principal import decreases in specific group sections include the automotive vehicle group which fell off by $28,000,000, and farm implement imports by $10,000,000.

On the export side three groups show material depreciation. Grains were down $243,000,000; flour exports decreased by $20,000,000, and dairy products by $8,000,000. On the other hand, among the increases in exports are: Farm implement exports, which increased by $2,500,000; exports of paper and its products were up $3,000,000; aluminum and its products $6,800,000; copper and its products increased by $11,000,000 and precious metals by nearly twenty-two millions.

A study of the records shows that when cereal crop items are separated, the past year maintained a steady level in volume of exports of goods. It also emphasizes the development in the mining industry, which is demonstrated by a study of the imports of certain classes of mining machinery, which were recently given favourable treatment by this house, and which increased to over $11,000,000 in the period under review.

During recent years the growth in production in agriculture, lumbering, mining and manufacturing, has been supplemented by a new activity which is usually termed tourist business. Various estimates are made as to the money spent by tourists in Canada. Some estimate that it was in excess of $300,000,000 last year. The exact amount does not concern us at the moment, the more important phase being the continued growth of this form of trade and its development to a higher standard. We have magnificent national parks and excellent transportation facilities. No country in the world has better hotel service than Canada, and each year substantial additions are made. Attention has been directed recently to the sales opportunity represented by this tourist traffic. Is there any reason why trade in quality goods should not be increased? Many commodities can be purchased in Canada more cheaply than in the countries from which the tourists come. The provincial and the municipal authorities, the transportation companies, and the Dominion government may co-operate and bring tourists to the doors of Canadian shops; after that, success depends on the initiative of the retailer and the maker of the goods offered for sale. With this seasonal influx of eighteen million visitors, it should be our aim to develop an extensive market and thus enlarge the benefits of the tourist trade.

[Mr. Dunning.]

INCOME TAX

Turning now to taxation matters, in connection first with income tax, it is proposed that the corporation rate of tax shall be paid in respect of undistributed income when such undistributed income is received by a corporation on the sale or winding up of another corporation.

It is also proposed that the corporate rate of taxation shall be imposed on family corporations in respect of the interest therein of non-resident shareholders and also that directors, officers and employees of a Canadian company who reside abroad shall be taxable in respect of the dividend and interest income received from the company.

A further amendment provides for exemption from income tax for bona fide cooperative companies and associations.

Government or other like annuities are to be exempt from income tax to the extent of five thousand dollars.

It is proposed also that an exemption of five hundred dollars each, the same as for dependent children, be granted for dependent parents, grandparents, brothers, sisters, sons and daughters, who are incapable of self-support, owing to mental or physical infirmity.

It is also proposed that donations to any church, university, college, school or hospital in Canada shall be treated as deductions from income up to a maximum of ten per cent of the net income of the taxpayer.

All these income tax amendments apply with respect to 1929 income.

TAX ON SALES OF SHARES

A readjustment of the scale of taxation on the sale and transfer of shares is proposed, which will have the effect of materially reducing taxation on shares of low value.

Some hon. MEMBERS: Hear, hear.

Mr. STEVENS: We told you you would do it.

Mr. DUNNING:

SALES TAX

A further major reduction is proposed in the sales tax by reducing it to one-half the present rate. It is estimated that this proposal effects a reduction in taxation of approximately twenty-two million dollars.

These reductions in taxation constitute a further step in the government's policy which has been steadily applied for some years past, of reducing the public debt and at the same time reducing the burden of taxation.

TRADE AGREEMENTS

Regarding trade agreements, I had hoped to be able to announce the definite completion of a trade agreement with Newfoundland, following negotiations which took place in Ottawa with the prime minister of that dominion.

Definite final word, however, has not yet been received from Newfoundland, but I hope before this session is concluded to be able to present the proposed agreement to parliament.

With respect to New Zealand, as already intimated to parliament, the government of Canada has proposed to the government of that dominion that a direct trade agreement be negotiated to supersede the present arrangement.

We hope to be able to arrange for meetings of representatives of both countries in the near future in order to endeavour to reach a mutually satisfactory agreement. In any event, the present arrangement will cease on October twelfth next. Following that date, Canada will extend her full British preference to New Zealand, pending the completion of a direct agreement.

CUSTOMS TARIFF

In connection with the customs tariff, an amendment is proposed relating to excise taxes in foreign countries and the valuation for special or dumping duty.

At present excise taxes are not added to cost in valuing goods for duty which come from Great Britain, and it is proposed to extend this provision to all countries, the produce of which enters Canada under the intermediate or any more favourable tariff.

During the past few years, the Canadian people have had every opportunity to be heard in connection with tariff matters through the establishment of the Tariff Advisory Board. The degree of confidence displayed has steadily grown, as is evidenced by the printed records of public hearings. Gradually in past budgets the effects of this system of public inquiry have become apparent and the printed reports of the hearings have facilitated the work of the government and of this house.

This budget will extend further than ever before revision of the tariff structure based upon inquiries made by the board.

IRON AND STEEL

Amendments in the wording, structure, and rates of the iron and steel schedules are the results of months of investigation by the Tariff Advisory Board, involving many public sittings and intensive technical research. This inquiry early revealed that many items were obsolete in wording; that many others were lacking in accurate and definite description; that the classification and structure of the schedule had not kept pace with modern developments in metallurgy, manufacturing and merchandising; and that the actual rates, in scores of cases, had lost the relationship, one to another, that once marked them.

Active and intelligent leadership in the prolonged inquiry now ended was given by the Tariff Advisory Board, both at the public hearings, which are now a matter of record, and the private research and investigation which had to go hand in hand with the hearing of evidence. Officers of the board and their experts have won the commendation of the industry for their efficiency and impartiality.

The labours of the Tariff Advisory Board could not have been successful, however, had it not received the active cooperation of all branches of the industry itself. Scores of manufacturers have given ungrudgingly their personal time and the services of their technical officers; importers and jobbers have placed at the disposal of the board their staffs, warehouses and books; laboratory and research experts have been detailed to assist

the board's own investigators; and no fewer than two hundred different firms, associations and interests participated actively in the weeks of open hearings at which information was being placed on record for parliament and the public.

Various government departments—notably those of National Revenue, Mines and the Bureau of Statistics—rendered valuable assistance.

For the first time in the history of tariff making in Canada, there was publicly presented to the industry a suggested wording for classification purposes, some six thousand copies of which were distributed by the board before the demands of interested parties were satisfied. This classification was the subject of a final public hearing at which it was considered, item by item, and at which the board received definite suggestions regarding wording, arrangement and rates of duty.

The iron and steel schedule may be said to rank first in the tariff in length, intricacy and importance. Its relationship to our national life is illustrated by the fact that the industries concerned employ over one hundred and twenty thousand people in over eleven hundred plants with an aggregate annual payroll of about one hundred and seventy million dollars.

In revising the schedule the government has kept in mind first, the national necessity of maintaining an efficient and self reliant iron and steel industry supplying Canadian consumer demand at reasonable prices, and, second, the national desire to facilitate trade, in iron and steel products, with those countries which facilitate export trade from Canada.

These considerations have been kept in mind throughout the schedule but particularly in those sections which cover crude, primary and secondary forms, up to and including the products of the rolling mill. Within this range lie the products of Canada's great basic ferrous industries, as well as many others in the production of which Great Britain excels.

It is proposed to implement the recommendation of the Royal Commission on Maritime Claims with respect to Canadian coal used in the manufacture of iron or steel.

Realizing that Canada is now producing in huge quantities ingots, billets, blooms and slabs of steel, we have adjusted the duties thereon to facilitate the further development of the native iron and steel industry. At the same time reductions in the British tariff rates are provided on special and heavy forms of iron and steel and on those primary products which Great Britain is equipped to produce. The internal economy of the industry is such that practically the entire incidence of the increases proposed in respect of the primary forms will be absorbed by subsequent processors of those forms, before or by the time they reach the stage of bars and rods, in the case of which, with one material exception, duties have not been raised, but in which, again, very considerable reductions have been made in the British preferential tariff rates.

In the case of structural steel, an effort has been made to adjust the tariff language and rates to the development in Canadian mills, where larger and more varied shapes are now being rolled than ever before; definite provision has been made for certain weights and shapes now rolled in Canada. On heavy structural sections, considerable reduction has been effected in the British preferential rate, thus affording British mills a greater chance for business in this Dominion.

Steel plates are now being rolled in the Dominion and the revised schedule takes cognizance of this fact. Inquiry before the Tariff Advisory Board revealed that the rates formerly effective were out of line with the highly processed character of the product. This inequity within the schedule has been rectified by increases in the intermediate and general tariffs, while opportunity to British mills to participate in the Canadian market, especially in those widths and weights of plates in which they excel, is given by the free listing of such plates under the British preferential tariff.

No changes are proposed as regards black sheets and but one increase, in the general tariff, is suggested on cold rolled steel.

Hot rolled strip is not made in Canada and adjustments in rates are proposed which should divert to Great Britain a large part of the Canadian trade in both light and heavy gauges of this material.

Most flat forms which are coated, dipped or similarly finished are grouped, in the revised schedule, with increased rates under the general tariff.

Reductions under all tariffs are proposed on flat forms which are painted or coated with enamel. In this connection, it should be

pointed out that provision is made for a duty on sheets coated with tin (so-called "tinplate") on the same basis as applies to all other coated forms.

The existing provision of duty-free sheets for galvanizing is widened to cover sheets for dipping in any metal, but is so worded as to expire on December thirty-first next, after which all "dippers" of sheets will pay, on their raw materials, rates of duties apportioned to those applying on their finished products.

The rates on corrugated sheets are reduced under all tariffs, while sheets to be used as bases for enamelling, and also blue polished sheets are given lowered rates under the British preferential and intermediate tariffs.

Saw steel is a commodity which Great Britain is eminently fitted to produce. Opportunity is opened to her mills through the rates now proposed on untempered and tempered steels for saw-making, in both of which the spread in favour of British products is materially widened.

Skelp for pipe making is an import of huge proportions. It is not being rolled in Canada and heretofore has enjoyed low rates under all tariffs. In order to encourage Great Britain to supply the Canadian demand, skelp is made free under the British preferential tariff. Parliament is also asked to sanction a provision for higher rates which may be imposed should Canadian mills enter the skelp-making field. Should such higher rates become effective, they are such as to maintain a material spread in favour of skelp from Great Britain and involve the same rate as now applies under the British preference.

The schedule covering pipes and tubes has been reworded and reclassified, a prime object being simplification of the present items. Rates of duties are little altered; duties are imposed on butted tubing and increased on cast iron pipe except under the British preferential tariff.

The wire, spring and chain schedules are reworded and in the revision of rates extensions of the British preference are provided upon such commodities as: wire rope or cable, galvanized wire, covered wire, wire cloth, wire netting, springs for railway vehicles. Wire fencing of certain gauges is made free under the British preferential tariff, as is, also, silent and roller chain.

The machinery section has been reworded and reclassified in a radical manner as regards arrangement, and with certain alterations in rates. Various generic groupings have been devised, notably: agricultural, mining, lumbering, textile, printing, office, and household machinery, with improved and more orderly sequence of items. In agricultural machinery, all items are made free under the British preferential tariff and such tractors as do not now enter free are reduced under all tariffs. Complete parts of all tractors are reduced under all tariffs. Among the implements now made free under the British preferential tariff, are the following:

Milking machines,
Pasteurizers and dairy equipment,
Ploughs,
Rollers,
Spraying and other horticultural equipment,
Hay loaders and tedders,
Grain and hay grinders and crushers,
Potato diggers and planters,
Incubators and brooders,
Hay presses,
Scythes,
Sickles,
Rakes and forks,
Separators,
Fanning mills,
Peaviners,
Cornhuskers,
Windmills,
Electric-power generators.

In mining machinery the items have been revised in accordance with views expressed by both manufacturers and consumers at sittings of the Tariff Advisory Board.

The lumbering machinery items have been redrafted to meet the unanimous views of producers and users, as expressed to the Tariff Advisory Board.

Material reductions under all tariffs have been made in machinery and equipment for use in printing; and the entire list is made free under the British preferential tariff.

In office machinery, reductions under the British preferential tariff are made on pieces of equipment which Great Britain can produce, such as:

Typewriters,
Dictaphones,
Teletypewriters,
Calculating machines.

Under household machinery, there are numerous reductions: washing machines are made free under the British preferential tariff and reduced under all tariffs; vacuum cleaners

and polishers, domestic refrigerators, wringers and sewing machines are reduced under all tariffs.

Under miscellaneous machinery, fire engines and fire extinguishers, equipment for carbonizing lignite coal, for tanning and embossing leather, machinery for the manufacture of fish meal, stock and poultry food and fertilizers, and also equipment for use in the ceramic industries are made free or granted material reductions.

Construction machinery and equipment, such as is used in the making and maintenance of highways is given a definite place in the schedules, is made free under the British preferential tariff and is reduced under all tariffs. Such machinery formerly dutiable and now free under the British preferential rate includes:

Concrete and asphalt road machines,
Cranes,
Shovels,
Back-fillers,
Steam and air-driven pile hammers,
Turntables.

All other machinery—including engines and boilers and electrical apparatus—imports of which amount to scores of millions of dollars, and a great part of which is machinery of production, not procurable in Canada, is divided into two classes—made in Canada and not made in Canada; the former group is slightly increased under the general tariff; the latter is reduced under all tariffs and made free under the British preference. Among the machinery and equipment in this latter class which formerly was dutiable and is now made free under the British preferential tariff, are included:

Air compressing machinery,
Cranes and derricks,
Icing and refrigerating machinery,
Metal working machinery,
Pulp and paper mill machinery,
Power pumps and parts,
Steam and other shovels,
Steam boilers,
Internal combustion engines,
Steam engines,
Switches and switchboards,
Spark plugs and magnetos,
Rheostats, controllers and motors,
Fuses and fuse plugs.

Among the miscellaneous iron and steel commodities which will now enter free or under a materially widened British preference are the following:

[Mr. Dunning.]

Nuts and bolts,
Screws,
Tools of precision,
Containers for food products,
Bathtubs and lavatory equipment,
Wheelbarrows, trucks, etc,
Drays and sleighs,
Buggies and cutters,
Children's carriages and sleds,
Hand pumps,
Engines for fishing vessels,
Aircraft and aircraft engines,
Guns and rifles,
Steel wool,
Skates,
Needles,
Frames for purses,
Safes,
Mathematical instruments,
Card clothing,
Two-colour printing plates.

Equipment for cooking or heating using coal or wood, gas, electricity or oil, is made free under the British preferential tariff and there are reductions of the British rates on:

Electric light fixtures,
Electric light bulbs,
Lamp shades,
Gas meters,
Flashlights,
Headlights,
Enamelled hollow-ware,
Hollow-ware, plain,
and Tinware for shipping milk or cream.

We have decided to make free of duty under all tariffs a large range of hospital and sick-room supplies, including:

Syringes,
Catheters,
Parts of Anaesthetic apparatus,
All hospital sterilizers,
Surgical suction apparatus,
Chloroform,
Ethyl chloride,
Operating room lights.

The iron and steel schedule is now an entity, compact and orderly, consisting of a single group of three hundred and twenty-five items. I have not attempted to refer in detail to all individual commodities affected, but only those of greatest interest. Details of each item will, of course, be dealt with in committee of ways and means.

Summarizing numerically I may say that under the iron and steel schedule general

tariff rates have been reduced on sixty-six items and increased on forty.

Under the intermediate tariff, the reductions number eighty-six, and the increases twenty-four.

Under the British preferential tariff, the rates have been increased in eight cases and reduced, or made free, in one hundred and fifty-two. Prior to this budget the number of items in the iron and steel schedule which were free under the British preferential tariff was ninety-seven; this group of free items has been increased in number to one hundred and seventy.

FRUITS AND VEGETABLES

In revising the customs tariff on fruits and vegetables the government has given serious consideration to the representations of growers and consumers, as presented on several occasions before the Tariff Advisory Board. The irregular nature of the severe competition which Canadian producers frequently face from the earlier-maturing crops of other countries has been weighed in the light of various suggested remedies, most of which were found to have inherent defects, a fact long since recognized by the growers themselves. Seasonal tariffs, for instance, are not applicable to a country such as Canada, with its extremes of distance, latitude and climate.

After careful study of the situation from all angles, we have decided to apply to fruits and vegetables a combination of specific and ad valorem duties; this combination will, it is believed, meet the urgent need of the growers during those periods when they suffer from acute instability of prices and, at the same time, guarantee to consumers, at all seasons of the year, supplies of these products at reasonable prices.

The ad valorem rate on fresh vegetables is retained at thirty per cent under the general tariff and specific minimum duties will be effective, under the general tariff, on all except green peas and green beans.

All fresh vegetables of domestic character are made free of duty under the British preferential tariff.

Some hon. MEMBERS: Oh, oh.

Mr. DUNNING: I am glad my hon. friends approve. In taking this action, we have had in mind the growing ability of Bermuda and the West Indies to supply the Canadian market during the Canadian off-season, a possibility which is rendered more feasible than before, now that Canada has her own direct steamship connection with these islands, employing vessels which are specially built for efficient transportation of perishable commodities.

Small increases in the general tariff, accompanied by material reductions in the British preferential rates are made in canned vegetables, while extensions of the existing British preference are provided in dried and desiccated vegetables, extracts, sauces, pastes and soup.

An ad valorem rate of twenty-five per cent has been applied to all fresh fruits of domestic character, imported under the general tariff with specific minimum rates effective under the general tariff.

All fresh fruits are to be granted free entry under the British preferential tariff; here again the government has kept in mind the possibilities of greatly extended trade with Bermuda and the West Indies Islands and has taken another step in the direction commenced two years ago when free entry was accorded bananas imported direct from the islands. So far as possible, Canada desires to purchase from these British islands to the south those fresh fruits which they are capable of supplying to this market.

The free listing of fresh fruits and vegetables has added thirty-two items to the total number in our schedules which are free under the British preferential tariff; the total number of such free items in the entire fruit and vegetable schedule is now forty-nine as against ten immediately prior to this revision. We are confident that this further expression of Canada's desire to develop goodwill and improve trade with Bermuda and the British West Indies will be appreciated and will result in greater opportunity for Canadian exports to those islands.

BEANS

Following an inquiry by the Tariff Advisory Board into rates upon field beans, it has been decided to increase the intermediate and general tariffs on this product to one and a half cents and two cents per pound respectively. Beans entering under the British preferential tariff will, in the future, be free.

TEA

Tea now carries a duty of seven cents per pound under the British preference. It is

proposed to make this article of wide general consumption in Canada free under the British preference and also to lower the intermediate rate of duty.

PORCELAIN AND CHINAWARE

Bearing in mind that porcelain and chinaware bulk very large in our import trade and that Great Britain has long held a high place in quality production of these articles which are necessities in every Canadian household, we have decided to accord free entry under the British preferential tariff to all tableware of china, porcelain, white granite, or iron stone. The general tariff rate on these products has been slightly increased.

LIVE ANIMALS AND MEATS

Live animals and meats, other than fresh or canned meats, are to be free under the British preferential tariff and reductions have been made under all tariffs on feeds such as soya bean meal and cotton seed.

BUTTER

Following the hearing before the Tariff Advisory Board relating to butter, the government has carefully considered the representations of the producers and as a result proposes an increase in rates of duty on butter to four cents British preference, six cents intermediate and seven cents general tariff.

MALT AND MALT PRODUCTS

Consideration has been given to the effects of imports of malt and malt products in displacing the malting in Canada of Canadian barley and it has been decided to increase the general tariff rate on malt and malt extracts, decreasing, at the same time, the rates under the British preferential tariff. The general rates on barley have been increased proportionately.

INVERT SUGAR

Provision has been made for invert sugar at rates proportionate to those on refined sugar.

BELTING LEATHER

The general tariff rate on highly processed belting leather has been increased to the level of the rate now effective on leather belting.

MISCELLANEOUS

There have existed in our tariff, for years, many items carrying rates of duty in the British preferential column, but relating to commodities in which none of the various British countries has been an effective trader, Some of these items represent materials or articles in which, for the present at least, British countries may continue to be more or less ineffective factors; others are clearly of a nature in which a wider preference may be of real value in promoting inter-empire trade.

We have decided, therefore, to make free under the British preferential tariff a further group of fifty items of this class.

COUNTERVAILING DUTIES

There are certain commodities which are or will become of double significance in Canada's trade with the world, both as imports and exports. On such commodities our policy has been, and is, to avoid extreme rates of duty, and we propose, regarding these products, to maintain in general the existing rates of duty.

It has been decided, however, to embody within the wording of a limited number of items of this class provision for a "countervailing duty" whereby Canada, while not generally raising its schedule rates, imposes upon such products from another country rates equivalent to those imposed by that country upon the identical Canadian product, where these are higher than the rates enumerated in the Canadian tariff schedule. This means that other countries who both buy from and sell to us these commodities, have it in their own power, by reciprocal action on their part, to enable us to reduce duties to the level of the rates stated in our tariff.

Provision for countervailing duty is now made effective in the case of:

Potatoes,
Soups and soup preparations,
Live stock,
Fresh meats,
Cured and pickled meats,
Butter,
Eggs in the shell,
Frozen eggs,
Frozen egg albumen,
Wheat,
Wheat flour,
Oats,
Oatmeal,
Rye,
Cut flowers,
Cast iron pipe.

This tariff revision will involve consideration of a total of four hundred and ninety-five separate tariff items.

I purpose at the conclusion of this address to table the resolutions necessary to enable the committee of ways and means to deal with each item.

For the convenience of hon. members arrangements are being made to print a full list of the tariff changes together with rates which were effective on each item until to-day.

The changes in rates are numerous and complex and I have not attempted to refer to all changes in detail. Summarizing numerically the present budget tariff proposals involve under the general tariff, increases in rates on 54 items and decreases on 46; under the intermediate tariff, increases in rates on 35 items and decreases on 98; under the British preferential tariff, increases in rates on 11 items and decreases on 270.

When this revision is completed the Canadian cutoms tariff will consist of 1,188 items of which 589 will be free under the British preference. The changes proposed have the effect of greatly increasing the British preference in the Canadian market.

The importance of this enlargement of the preference is indicated by the fact that Canada imported last year over two hundred million dollars worth of the commodities on which we are now increasing the British preference.

The tariff changes now made are designed to serve what we believe to be the best interests of the Canadian people.

It must never be forgotten that a large and increasing proportion of our producers and manufacturers are vitally interested in the maintenance of friendly markets for their products outside of Canada. Indeed, our national well being depends largely upon exporting freely those commodities which we produce greatly in excess of our own needs. This budget is frankly framed to enable us to buy more freely from those countries which buy from us most freely those commodities which are of vital importance to us, and in the confident belief that by this means we shall help to develop and stabilize export markets for our surplus products.

Canada will not engage in a tariff war with any country. The world shows at the present time too many examples of disaster following such a course. As a great exporting nation our course must be the contrary one of facilitating trade with those who facilitate trade with us. Those who raise prohibitive barriers against our products entering their markets must expect that we will extend favour to our own good customers rather than to them. I speak in no spirit of retaliation. I would much rather extend lower tariff favours to those who extend them to us than to impose prohibitive tariffs in return for like treatment.

Lower tariffs to those who buy most freely from us make for trade extension and wider markets for our products, while prohibitory duties to meet prohibitory duties generally applied would constantly tend to restrict our export markets.

In studying these trade matters in detail it is evident that more British goods can be sold in this country, having regard to the tariff preference we have granted in the past and which is now being much further extended. Opportunity undoubtedly exists along many lines, but in modern commerce the buyer does not seek the seller. The seller, even with the advantage of the British preference, must seek the buyer in Canada through sales and service organizations comparable with those of his effective competitor.

These tariff favours to those who favour our products are not the result of any bargain with any other country but of an attitude in international relations which we believe to be mutually beneficial and are an expression of the spirit in which Canada will approach the Imperial economic conference in a few months time. In other words we do not intend to meet the other countries of the British commonwealth of nations in a spirit of petty bargaining but rather in the broad spirit of willingness to become in ever increasing measure good customers to those who treat us in like manner. This is the spirit in which we desire to meet all nations, but we believe that within the British community of nations lies the greatest measure of opportunity for mutual development of trade because of our common heritage, kindred institutions and a common patriotism.

The Minister of Finance—On next —In Committee of Ways and Means—The following resolutions—

1. Resolved, that it is expedient to amend the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, by repealing subsections (c), (d), (e), (i), (l) of section two thereof and by substituting the following therefor:

(c) "hoop, band and strip" when applied to metals mean flat forms not more than fourteen inches in width and less than .1875 inches in thickness;

(d) "in diameter" when applied to pipes and tubes means the actual inside diameter;

(i) "plate" when applied to metals means a rectangle, circle or sketch as cut in a plate mill, more than fourteen inches in width and .1875 inches or more in thickness, with variations from such thickness not exceeding .015 inches;

(l) "sheet" when applied to metals means a rectangle more than fourteen inches in width and less than a plate in thickness;

2. Resolved, that the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, be amended by repealing subsection two of section six thereof and by substituting the following therefor:

(2) Excise duties or excise taxes shall be disregarded in estimating the market value of goods for the purposes of special duty when the goods are entitled to entry under the British Preferential Tariff, Intermediate Tariff or any more favourable tariff.

3. Resolved, that Schedule A to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter seventeen of the Acts of 1928 and chapter thirty-nine of the Acts of 1929, be further amended by striking thereout tariff items 5, 6, 7, 8, 10, 14, 15, 16, 18, 28a, 36, 37, 38, 47, 49, 50, 52, 53, 56, 57, 58, 59, 60, 60a, 61, 61a, 63a, 67, 69, 83, 83a, 84, 85, 86, 87, 87a, 87b, 88, 89, 90, 90a, 90b, 90c, 90d, 91, 92, 93, 94, 95, 96, 97, 97a, 98, 99, 99a, 100, 101a, 101aa, 101b, 102, 105, 105a, 106, 109, 141, 148, 149, 167, 168, 183, 200, 202, 207, 235, 235a, 236a, 237, 262, 283, 287, 289, 293, 296, 302, 306, 311, 313, 315a, 344, 344a, 345, 345a, 365, 366, 369, 373, 374, 375, 375a, 375b, 376, 377, 378, 378a, 379, 379a, 380, 381, 382, 383, 384, 384a, 384b, 384c, 385, 386, 387, 387a, 388, 389, 390, 391, 392, 393, 393a, 394, 395, 396, 397, 398a, 399, 400, 401, 402, 403, 403a, 404, 405, 406, 407, 408, 409, 410, 410a, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 433a, 434, 435, 436, 437, 438, 438e, 439, 440, 441, 441a, 442, 443, 444, 445, 445a, 445b, 446, 446a, 446b, 446c, 447, 447a, 447b, 448, 48b, 449, 450, 450a, 451, 451a, 452, 453, 453a, 453b, 453c, 453d, 543e, 453f, 453g, 453h, 453i, 453j, 454, 454a, 455, 456, 456a, 457, 458, 459, 460, 460a, 460b, 460c, 460d, 460e, 460f, 461, 461a, 462, 462a, 463, 464, 465, 466, 466a, 467a, 468, 468a, 469, 469a, 469b, 470, 471, 471a, 472, 473, 474, 475, 476, 476a, 477, 478, 478a, 479, 480, 481, 482, 483, 486, 486a, 487, 491, 492, 494, 494a, 498, 502b, 502c, 502d, 506a, 513, 516, 517, 535a, 577, 584a, 588a, 589, 590, 590a, 590b, 590c, 591, 591a, 592, 593, 594, 595, 596, 605, 611b, 636, 637, 649, 650, 650a, 657, 657b, 658, 660, 661, 665, 665a, 670, 670a, 671, 671a, 672, 672a, 676, 677, 688, 689, 689a, 689b, 698a, 706, 716, 719, 722, 725, 726, 729, 730, 736, 737, 745, 746, 748, 749, 751, 767, 770, 775, 780, the several enumerations of goods respectively, and the several rates of duties of customs, if any, set opposite each of said items, and by inserting the following items, enumerations and rates of duty in Schedule A:—

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.)			
					Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
5	Animals, living, n.o.p. Provided that, if any country imposes upon such animals produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such animals entering Canada from such country.	Free	22½ p.c.	25 p.c.	5	15 p.c.	22½ p.c.	25 p.c.
6	Live hogs.....per pound Provided that, if any country imposes upon live hogs produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such hogs entering Canada from such country.	Free	1¼ cts.	1½ cts.	6	1 cent	1¼ cents	1½ cents
7	Meats, fresh, n.o.p.....per pound Provided that, if any country imposes upon such goods produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country.	2 cts.	2½ cts.	3½ cts.	7	2 cents	2½ cents	3½ cents
8	Canned meats, poultry or game; extracts of meat and fluid beef, not medicated.....	15 p.c.	25 p.c.	27½ p.c.	8	17½ p.c.	25 p.c.	27½ p.c.
10	Meats, n.o.p.....per pound Provided that the weight of a barrel of pork for duty purposes shall not be less than two hundred pounds; provided, also, that if any country imposes upon such goods produced in, and imported from, Canada rates of higher duty than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country.	Free	1¾ cts.	2 cts.	10	1½ cents	1¾ cents	2 cents
14	Tallow.....	Free	17½ p.c.	20 p.c.	14	15 p.c.	17½ p.c.	20 p.c.
15	Beeswax.....	Free	7½ p.c.	10 p.c.	15	5 p.c.	7½ p.c.	10 p.c.
16	Eggs in the shell, per dozen..... Provided that, if any country imposes upon eggs in the shell, produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon such commodities entering Canada from such country.	2 cts.	2½ cts.	3 cts.	16	2 cents	2½ cents	3 cents
16a	Eggs, whole, egg yolk or egg albumen, frozen or otherwise prepared, n.o.p., whether or not sugar or other material be added.....	10 p.c.	25 p.c.	30 p.c.	207 711	5 p.c. 15 p.c.	7½ p.c. 17½ p.c.	10 p.c. 17½ p.c.

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.) Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
	Provided that, if any country imposes upon frozen eggs, frozen egg yolk, or frozen egg albumen, produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon such commodities entering Canada from such country.							
16b	Eggs, egg yolk or egg albumen, dried, evaporated, desiccated, or powdered, whether or not sugar or other material be added	10 p.c.	25 p.c.	30 p.c.	711 207	15 p.c. 5 p.c.	17½ p.c. 7½ p.c.	17½ p.c. 10 p.c.
18	Butter.....per pound	4 cts.	6 cts.	7 cts.	231 18	4 cents 3 cents	5 cents 4 cents	6 cents 4 cents
	Provided that, if any country imposes upon butter produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon butter entering Canada from such country.							
28a	Tea imported direct from the country of growth and production, and tea purchased in the United Kingdom, when in wrappings, cartons or other packages of more than five pounds weight each.....per pound	Free	9 cts.	10 cts.	28a	7 cents	10 cents	10 cents
	Provided that tea shall be entitled to entry under the British Preferential Tariff upon evidence satisfactory to the Minister that such tea has been produced wholly in the British Dominions, colonies and possessions, and not otherwise.							
36	Compressed yeast, in bulk or mass of not less than fifty pounds.....per pound	Free	2½ cts.	3 cts.	36	2 cents	2½ cents	3 cents
37	Compressed yeast, in packages weighing less than fifty pounds, the weight of the package to be included in the weight for duty.....per pound	Free	5 cts.	6 cts.	37	4 cents	5 cents	6 cents
38	Yeast cakes, the weight of the package to be included in the weight for duty.....per pound	Free	5 cts.	6 cts.	38	4 cents	5 cents	6 cents
47	Beans, n.o.p., per pound	Free	1½ cent	2 cents	47	15 cents	22½ cents	25 cents
49	Buckwheat, per bushel	Free	12½ cents	15 cents	49	10 cents	12½ cents	15 cents
50	Buckwheat meal or flour, per one hundred pounds	Free	45 cents	50 cents	50	35 cents	45 cents	50 cents
52	Barley, n.o.p., per bushel	Free	22½ cents	25 cents	52	10 cents	12½ cents	15 cents
53	Cornmeal, per barrel	Free	22½ cents	25 cents	53	20 cents	22½ cents	25 cents
56	Oats, per bushel	Free	9 cents	10 cents	56	7 cents	9 cents	10 cents
	Provided that, if any country imposes upon oats produced in, and imported from, Canada rates of							

	duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon oats entering Canada from such country.							
57	Oatmeal and rolled oats, per one hundred pounds....	Free	50 cents	60 cents	57	40 cents	50 cents	60 cents
	Provided that, if any country imposes upon oatmeal or rolled oats produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon oatmeal or rolled oats entering Canada from such country.							
58	Rye, per bushel.....	Free	9 cents	10 cents	58	7 cents	9 cents	10 cents
	Provided that, if any country imposes upon rye produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon rye entering Canada from such country.							
59	Rye flour, per barrel.....	Free	45 cents	50 cents	59	33 cents	45 cents	50 cents
60	Wheat, per bushel.....	Free	12 cents	12 cents	60	Free	Free	Free
					60a	8 cents	12 cents	12 cents
	Provided that, if any country imposes upon wheat produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon wheat entering Canada from such country.							
61	Wheat flour and semolina, per barrel.....	Free	50 cents	50 cents	61	Free	Free	Free
					61a	30 cents	50 cents	50 cents
	Provided that, if any country imposes upon wheat flour or semolina produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon wheat flour or semolina entering Canada from such country.							
63a	Rice bran.....	Free	17½ p.c.	17½ p.c.	63a	12½ p.c.	17½ p.c.	17½ p.c.
67	Macaroni and vermicelli, per one hundred pounds...	Free	$1.00	$1.25	67	75 cents	$1.00	$1.25
69	Hay and straw, per ton.....	Free	$1.75	$2.00	69	$1.65	$1.75	$2.00
79b	Flowers, natural, cut, whether in designs or bouquets, or not.....	Free	Free	25 p.c.	711	15 p.c.	17½ p.c.	17½ p.c.
	Provided that, if any country imposes on such goods produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country.							
83	Potatoes, including sweet potatoes:							
	(a) In their natural state.....	Free	Free	Free	83	Free	Free	Free
	(b) Dried, desiccated or dehydrated.....	Free	Free	Free	83a	20 cents	35 cents	35 cts. per cwt.
					84	15 p.c.	30 p.c.	30 p.c.
	Provided that if any country imposes a duty on potatoes grown or processed in and imported from Canada, an equal duty shall be imposed on potatoes coming into Canada from such country.							
84	Onions, in their natural state, including onions grown with tops, shallots, and onion sets, the weight of the packages to be included in the weight for duty....	Free	30 p.c.	30 p.c.	87a	Free	30 p.c.	30 p.c.

Tariff Item		British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.)			
					Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
	Provided that when imported under the General Tariff rate, the duty shall be not less than three-quarters of a cent per pound.							
85	Mushrooms and truffles, fresh, dried or otherwise preserved, the weight of the packages to be included in the weight for duty	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c.	30 p.c.
	Provided that when imported under the General Tariff rate, the duty shall be not less than ten cents per pound.				86	1 cent	1¼ cents	1½ cents
86	Beets for the manufacture of sugar	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c.	30 p.c.
87	Vegetables, fresh, in their natural state, the weight of the packages to be included in the weight for duty:							
	(a) Asparagus	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c.	30 p.c.
	Provided that when imported under the General Tariff rate, from April 15 to May 31, inclusive, the duty shall be not less than three cents per pound.							
	(b) Beans, green	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c.	30 p.c.
	(c) Brussels sprouts	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c.	30 p.c.
	(d) Cabbage	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c.	30 p.c.
	Provided that when imported under the General Tariff rate, from June 15 to January 31, inclusive, the duty shall be not less than one cent per pound.							
	(e) Carrots and beets, n.o.p	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c.	30 p.c.
	Provided that when imported under the General Tariff rate, from June 1 to February 28, inclusive, the duty shall be not less than one cent per pound.							
	(f) Cauliflower and eggplant	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c	30 p.c.
	Provided that when imported under the General Tariff rate, from May 15 to October 31, inclusive, the duty shall be not less than two cents per pound.							
	(g) Celery	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c.	30 p.c.
	Provided that when imported under the General Tariff rate, from July 1 to Febriuary 28, inclusive, the duty shall be not less than two cents per pound.							
	(h) Cucumbers	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c.	30 p.c.
	Provided that when imported under the General Tariff rate, from June 1 to October 31, inclusive, the duty shall be not less than one cent							

	per pound.							
	(i) Lettuce	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c.	30 p.c.
	Provided that when imported under the General Tariff rate, from April 1 to October 31, inclusive, the duty shall be not less than one and one-half cents per pound.							
	(j) Parsley	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c.	30 p.c.
	(k) Peas, green	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c.	30 p.c.
	(l) Rhubarb	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c.	30 p.c.
	Provided that when imported under the General Tariff rate, from March 1 to May 31, inclusive, the duty shall be not less than one cent per pound.							
	(m) Spinach	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c.	30 p.c.
	Provided that when imported under the General Tariff rate, from May 1 to October 31, inclusive, the duty shall be not less than one cent per pound.							
	(n) Tomatoes	Free	27½ p.c.	30 p.c.	85	20 p.c.	27½ p.c.	30 p.c.
	Provided that when imported under the General Tariff rate, from June 1 to October 31, inclusive, the duty shall be not less than two cents per pound.							
	(o) Watercress and whitloof or endive	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c.	30 p.c.
	(p) N.o.p.	Free	27½ p.c.	30 p.c.	87	15 p.c.	27½ p.c.	30 p.c.
88	Seedlings for replanting:							
	(a) Cabbage	Free	Free	Free	711	15 p.c.	17½ p.c.	17½ p.c.
	(b) Cauliflower	Free	Free	Free	711	15 p.c.	17½ p.c.	17½ p.c.
	(c) Onion	Free	Free	Free	87b	Free	Free	Free
89	Vegetables, prepared, in air-tight cans or other air-tight containers, the weight of the containers to be included in the weight for duty:							
	(a) Beans, baked or otherwise prepared, per pound.	Free	1¼ cents	1½ cents	86	1 cent	1¼ cents	1½ cents
	(b) Corn and tomatoes, per pound	Free	1¼ cents	2 cents	86	1 cent	1¼ cents	1½ cents
	(c) Peas, per pound	1 cent	1½ cents	2 cents	86	1 cent	1¼ cents	1½ cents
	(d) N.o.p.	Free	27½ p.c.	30 p.c.	86	1 cent	1¼ cents	1½ cents
90	Vegetables, prepared or preserved:							
	(a) Dried, desiccated or dehydrated, including vegetable flour, n.o.p.	15 p.c.	27½ p.c.	30 p.c.	711	15 p.c.	17½ p.c.	17½ p.c.
					87	15 p.c.	27½ p.c.	30 p.c.
	(b) Pickled or preserved in salt, brine, oil or in any other manner, n.o.p.	15 p.c.	32½ p.c.	35 p.c.	88	25 p.c.	32½ p.c.	35 p.c.
	(c) Vegetable extracts or juices, liquid mustards, soy and vegetable sauces of all kinds	15 p.c.	32½ p.c.	35 p.c.	88	25 p.c.	32½ p.c.	35 p.c.
	(d) Pastes, hash and all similar products, composed wholly of vegetables or of vegetables and meat or fish or both, n.o.p.	15 p.c.	32½ p.c.	35 p.c.	86	1 cent	1¼ cents	1½ cents
					8	17½ p.c.	25 p.c.	27½ p.c.
					123	17½ p.c.	27½ p.c.	30 p.c.
91	Soups, soup rolls, tablets, cubes or other soup preparations, n.o.p.	15 p.c.	25 p.c.	27½ p.c.	8	17½ p.c.	25 p.c.	27½ p.c.

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.)			
					Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
	Provided that, if any country imposes upon such goods produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country.							
92	Fruits, fresh, in their natural state, the weight of the packages to be included in the weight for duty:							
	(a) Apricots..... Provided that when imported under the General Tariff rate, from June 15 to August 15, inclusive, the duty shall be not less than one cent per pound.	Free	15 p.c.	20 p.c.	97	35 cents	45 cents	50 cents
	(b) Cherries..... Provided that when imported under the General Tariff rate, the duty shall be not less than two cents per pound.	Free	15 p.c.	20 p.c.	95	1½ cents	1¾ cents	2 cents
	(c) Cranberries..... Provided that when imported under the General Tariff rate, the duty shall be not less than two and one-half cents per pound.	Free	15 p.c.	20 p.c.	96	17½ p.c.	22½ p.c.	25 p.c.
	(d) Peaches..... Provided that when imported under the General Tariff rate, from July 20 to October 1, inclusive, the duty shall be not less than one and one-quarter cents per pound.	Free	15 p.c.	20 p.c.	102	67 cents	90 cents	$1.00
	(e) Pears..... Provided that when imported under the General Tariff rate, from August 1 to December 31, inclusive, the duty shall be not less than three-quarters of a cent per pound.	Free	15 p.c.	20 p.c.	97	35 cents	45 cents	50 cents
	(f) Plums or prunes..... Provided that when imported under the General Tariff rate, from July 15 to October 31, inclusive, the duty shall be not less than three-quarters of a cent per pound.	Free	15 p.c.	20 p.c.	97a	20 cents	20 cents	30 cents
	(g) Strawberries, raspberries and loganberries..... Provided that when imported under the General Tariff rate, from June 1 to July 31, inclusive, the duty shall be not less than three cents per pound.	Free	15 p.c.	20 p.c.	95	1½ cents	1¾ cents	2 cents
	(h) Berries, edible, n.o.p..... Provided that when imported under the General Tariff rate, the duty shall be not less than	Free	15 p.c.	20 p.c.	95 90a	1½ cents Free	1¾ cents Free	2 cents Free

	two cents per pound.							
	(*i*) Quinces and nectarines..... Provided that when imported under the General Tariff rate, the duty shall be not less than one cent per pound.	Free	15 p.c.	20 p.c.	97	35 cents	45 cents	50 cents
93	Apples, fresh, in their natural state, the weight of the packages to be included in the weight for duty.... Provided that when imported under the General Tariff rate, the duty shall be not less than three-fifths of a cent per pound.	Free	15 p.c.	20 p.c.	92	60 cents	90 cents	90 cents
94	Grapes, fresh, in their natural state, the weight of the packages to be included in the weight for duty, per pound.....	Free	1½ cents.	2 cents.	100	1½ cents	1¾ cents	2 cents
95	Cantaloups and muskmelons, the weight of the packages to be included in the weight for duty..... Provided that when imported under the General Tariff rate, from July 20 to October 31, inclusive, the duty shall be not less than one and one-half cents per pound.	Free	15 p.c.	20 p.c.	98	2 cents	2½ cents	3 cents
95a	Melons, n.o.p., each.....	Free	2½ cents.	3 cents.	98	2 cents	2½ cents	3 cents
96	Fruits, fresh, in their natural state, n.o.p.....	Free	15 p.c.	20 p.c.	96	17½ p.c.	22½ p.c.	25 p.c.
97	Plantains, pineapples, pomegranates, guavas and mangoes.....	Free	Free	Free	90	Free	Free	Free
98	Bananas, when imported from the place of growth by ship, direct to a Canadian port, per stem or bunch.....	Free	50 cents.	50 cents.	90c	Free	50 cents	50 cents
98a	Bananas, n.o.p., per stem or bunch.....	50 cents.	50 cents.	50 cents.	90d	50 cents	50 cents	50 cents
99	Bananas, dried or evaporated, per pound.....	Free	½ cent	½ cent	99a	Free	½ cent	½ cent
99a	Dates and figs, dried; plums and prunes, dried, unpitted; per pound.....	Free	⅜ cent	⅜ cent	94 99	40 cents ½ cent	55 cents ⅝ cent	55 cts. per cwt. ⅝ cent
99b	Fruits, dried, desiccated, evaporated or dehydrated, n.o.p.....	Free	22½ p.c.	25 p.c.	93	17½ p.c.	22½ p.c.	25 p.c.
100	Grape fruit, when imported from the place of growth by ship, direct to a Canadian port, per pound.....	Free	½ cent	1 cent	101aa	Free	50 cents	$1.00 per cwt.
100a	Grape fruit, n.o.p., per pound.....	½ cent	1 cent	1 cent	101a	50 cents	$1.00	$1.00 per cwt.
102	Limes.....	Free	15 p.c.	15 p.c.	101b	Free	15 p.c.	15 p.c.
105	Fruit pulp, with sugar or not, n.o.p., and fruits, crushed or frozen, per pound.....	1½ cents	2½ cents	3 cents	96 105 106	17½ p.c. 1¾ cents 2¼ cents	22½ p.c. 2½ cents 3¼ cents	25 p.c. 2½ cents 3¼ cents
105a	Lemon and orange rinds and citron in brine.....	Free	Free	Free	91	Free	Free	Free
105b	Olives and cherries in brine, not bottled.....	10 p.c.	17½ p.c.	30 p.c.	89 749	20 p.c. 15 p.c.	27½ p.c. 17½ p.c.	30 p.c. 20 p.c.
105c	Fruits and nuts, pickled or preserved in salt, brine, oil or any other manner, n.o.p.....	20 p.c.	32½ p.c.	35 p.c.	88 88	25 p.c. 25 p.c.	32½ p.c. 32½ p.c.	35 p.c. 35 p.c.
105d	Jellies, jams, marmalades, preserves, fruit pastes, fruit butters and condensed mince meats, per pound	2¾ cents	3¾ cents	3¾ cents	106	2¾ cents	3¾ cents	3¾ cents
105e	Fruits and peels, crystallized, glace, candied or drained; cherries and other fruits of creme de menthe, maraschino or other flavour.....	22½ p.c.	35 p.c.	35 p.c.	141 and 105 106	½ cent 22½ p.c. 1¾ cents 2¾ cents	½ cent 35 p.c. 2½ cents 3¾ cents	½ cent 35 p.c. 2½ cents 3¾ cents

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.)			
					Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
106	Fruits, prepared, in air-tight cans or other air-tight containers, the weight of the containers to be included in the weight for duty:							
	(a) Apricots, peaches and pears, per pound	1¾ cents	2½ cents	2¾ cents	105	1¾ cents	2½ cents	2½ cents
	(b) Pineapples, per pound	½ cent	2½ cents	2¾ cents	105a	½ cent	2½ cents	2½ cents
	(c) N.o.p., per pound	1¾ cents	2½ cents	2¾ cents	105	1¾ cents	2½ cents	2½ cents
109	Nuts of all kinds, n.o.p., including shelled peanuts, n.o.p., per pound	1 cent	2 cents	2 cents	109	1 cent	2 cents	2 cents
109a	Peanuts, green, in the shell or not further processed than shelled, per pound	Free	1 cent	1 cent	109	1 cent	2 cents	2 cents
135a	Invert sugar, and syrups the product of the sugar cane or beet, and all imitations thereof or substitutes therefor, not including molasses and not including syrups in receptacles of such size that the gross weight of receptacle and contents does not exceed sixty pounds.							
	When the total of reducing sugars after inversion is equivalent to more than fifty-six per centum, but not more than sixty-five per centum of invert sugar, per one hundred pounds	68 cents	$1.23	$1.23	140 134	35 cents	45 cents	50 cents
	When the total of reducing sugars after inversion is equivalent to more than sixty-five per centum, but not more than seventy per centum of invert sugar, per one hundred pounds	74 cents	$1.33	$1.33	140 134	35 cents	45 cents	50 cents
	When the total of reducing sugars after inversion is equivalent to more than seventy per centum of invert sugar, per one hundred pounds	83 cents	$1.50	$1.50	140 134	35 cents	45 cents	50 cents
139	Glucose or grape sugar, glucose syrup and corn syrup, or any syrups containing an admixture thereof, n.o.p., per one hundred pounds	40 cents	55 cents	62½ cents	139	40 cents	55 cents	62½ cents
141	Sugar candy and confectionery, n.o.p., including sweetened gums, candied pop-corn, candied nuts, flavouring powders, custard powders, jelly powders, sweetmeats, sweetened breads, cakes, pies, puddings and all other confections containing sugar, the weight of the wrappings and cartons to be included in the weight for duty, per pound	½ cent	½ cent	½ cent	141	½ cent	½ cent	½ cent
	and	22½ p.c.	35 p.c.	35 p.c.	and	22½ p.c.	35 p.c.	35 p.c.
148	Cider, not clarified or refined, per gallon	Free	5 cents	5 cents	148	5 cents	5 cents	5 cents
149	Cider, clarified or refined, per gallon	Free	10 cents	10 cents	149	10 cents	10 cents	10 cents
152b	Grape juice in containers of more than one gallon capacity each	17½ p.c.	22½ p.c.	22½ p.c.	152	17½ p.c.	22½ p.c.	22½ p.c.

152c	The Governor in Council may by Order in Council direct that there be substituted for Tariff Item 152b in Schedule A to the Customs Tariff, the enumeration of goods and the rates of duties of Customs set opposite the said item the following:									
	Grape juice in containers of more than one gallon capacity each:									
	Testing not more than 1·074 specific gravity at 60 degrees temperature, per gallon	20 cents	25 cents	25 cents						
	And in addition thereto, for each increment of 0·01 in specific gravity above 1·074	3 cents	3 cents	3 cents						
	From and after the publication of such Order in Council in the Canada Gazette, Tariff Item 152b, as it appears in the said Schedule at the time of the passing of this Act shall be repealed and the provisions of Tariff Item 152c shall be substituted therefor.									
167	Malt, whole, crushed or ground, and malt flour, n.o.p., upon entry for warehouse subject to excise regulations, per pound	¼ cent	½ cent	¾ cent	167	45 cents	45 cents	45 cents	45 cents	
168	Malt flour containing less than 50 per centum in weight of malt; malt syrup or malt syrup powder; extracts of malt; malt syrup or malt syrup powder; extracts of malt, fluid or not; grain molasses—all articles in this item upon valuation without British or foreign excise duties, under regulations prescribed by the Minister, per pound and	3 cents 25 p.c.	3 cents 30 p.c.	3 cents 35 p.c.	168 and	2 cents 35 p.c.	2 cents 35 p.c.	2 cents 35 p.c.	2 cents 35 p.c.	
183	Newspapers, or supplemental editions or parts thereof, partly printed and intended to be completed and published in Canada	Free	22½ p.c.	25 p.c.	183	15 p.c.	22½ p.c.	22½ p.c.	25 p.c.	
200	Pulp of wood, of straw or of any other vegetable fibre	Free	22½ p.c.	25 p.c.	200	15 p.c.	22½ p.c.	22½ p.c.	25 p.c.	
202	Boot and shoe patterns manufactured of paper	Free	12½ p.c.	15 p.c.	202	10 p.c.	12½ p.c.	12½ p.c.	15 p.c.	
207	Blood albumen	5 p.c.	7½ p.c.	10 p.c.	207	5 p.c.	7½ p.c.	7½ p.c.	10 p.c.	
208g	Calcium molybdate when imported by manufacturers of steel for use exclusively in the manufacture of steel, in their own factories, under regulations prescribed by the Minister	Free	Free	5 p.c.	711	15 p.c.	17½ p.c.	17½ p.c.	17½ p.c.	
232a	Gelatin capsules, empty, when imported for use exclusively in the manufacture or compounding of medicinal and pharmaceutical preparations	Free	5 p.c.	7½ p.c.	232	17½ p.c.	25 p.c.	25 p.c.	27½ p.c.	
235	Liquorice paste not sweetened	Free	15 p.c.	17½ p.c.	235	10 p.c.	15 p.c.	15 p.c.	17½ p.c.	
235a	Liquorice in rolls and sticks, not sweetened	Free	20 p.c.	22½ p.c.	235a	15 p.c.	20 p.c.	20 p.c.	22½ p.c.	
236a	Paper refills for sputum cups; paper pocket sputum cups	Free	17½ p.c.	20 p.c.	236a	12½ p.c.	17½ p.c.	17½ p.c.	20 p.c.	
237	Celluloid moulded for handles of knives and forks, not bored or otherwise manufactured; moulded celluloid balls and cylinders, coated with tin foil or not, but not finished or further manufactured, and celluloid blanks for lamp shades and for combs	Free	7½ p.c.	10 p.c.	237	5 p.c.	7½ p.c.	7½ p.c.	10 p.c.	

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.) Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
238a	Manufactures of celluloid, viz: hair pins, braid pins, barettes, barette blanks, shoe horns, knitting needles, crochet sets, golf tees; lamp shades, stencilled or painted	15 p.c.	32½ p.c.	35 p.c.	711 624 419 435	15 p.c. 20 p.c. 20 p.c. 20 p.c.	17½ p.c. 27½ p.c. 27½ p.c. 27½ p.c.	17½ p.c. 30 p.c. 30 p.c. 30 p.c.
262	Olive oil, n.o.p.	Free	20 p.c.	20 p.c.	262	15 p.c.	20 p.c.	20 p.c.
263	Compounds of tetraethyl lead, in which tetraethyl lead is the preponderant constituent by weight	Free	5 p.c.	10 p.c.	711	15 p.c.	17½ p.c.	17½ p.c.
264a	Menthol, natural or synthetic	Free	5 p.c.	10 p.c.	711	15 p.c.	17½ p.c.	17½ p.c.
264b	Camphor, natural or synthetic, whether refined or not	Free	5 p.c.	10 p.c.	711	15 p.c.	17½ p.c.	17½ p.c.
276b	Cotton seed and crude cotton seed oil, when imported by manufacturers of cotton seed meal and refined cotton seed oil, for use exclusively in the manufacture of such commodities, in their own factories	Free	Free	Free	748 71a	Free 5 p.c.	Free 10 p.c.	Free 10 p.c.
283	Drain tiles, not glazed	Free	17½ p.c.	20 p.c.	283	15 p.c.	17½ p.c.	20 p.c.
287	Tableware of china, porcelain, white granite or ironstone	Free	27½ p.c.	30 p.c.	287	15 p.c.	27½ p.c.	27½ p.c.
289	Baths, bathtubs, basins, closets, lavatories, urinals, sinks and laundry tubs of earthenware, stone, cement, clay or other material, n.o.p.	20 p.c.	30 p.c.	35 p.c.	289	20 p.c.	30 p.c.	35 p.c.
293	Plaster of Paris, or gypsum, calcined, and prepared wall plaster, the weight of the packages to be included in the weight for duty, per one hundred pounds	Free	11 cts.	12½ cts.	293	8 cents	11 cents	12½ cents
296	Flint, ground flint stone; feldspar, crude only; fluorspar; mica schist; cliff, chalk, china or Cornwall stone, ground or unground, refuse stone, not sawn, hammered or chiselled nor fit for flagstone, building stone or paving	Free	Free	Free	296	Free	Free	Free
296a	Magnesite, crude rock	Free	Free	Free	296	Free	Free	Free
296b	Magnesite, caustic, calcined, or plastic magnesia	Free	20 p.c.	25 p.c.	711	15 p.c.	17½ p.c.	17½ p.c.
296c	Magnesite, dead burned or sintered	Free	10 p.c.	17½ p.c.	711	15 p.c.	17½ p.c.	17½ p.c.
296d	Feldspar, not further manufactured than ground	Free	10 p.c.	15 p.c.	296	Free	Free	Free
302	Lithographic stones, not engraved	Free	17½ p.c.	20 p.c.	302	12½ p.c.	17½ p.c.	20 p.c.
306	Marble, sawn or sand rubbed, not polished; granite, sawn; paving blocks of stone; flagstone and building stone, other than marble or granite, sawn on not more than two sides	Free	20 p.c.	30 p.c.	306	15 p.c.	20 p.c.	20 p.c.

306a	Building stone, other than marble or granite, sawn on more than two sides but not sawn on more than four sides, per one hundred pounds	10 cents	20 cents	22½ cents	306a	10 cents	15 cents	15 cents
311	Slate pencils and school writing slates	Free	22½ p.c.	25 p.c.	311	15 p.c.	22½ p.c.	25 p.c.
313	Plumbago, not ground or otherwise manufactured	Free	7½ p.c.	10 p.c.	313	5 p.c.	7½ p.c.	10 p.c.
315a	Carbon electrodes exceeding thirty-five inches in circumference or outside measurement	Free	20 p.c.	20 p.c.	315a	12½ p.c.	20 p.c.	20 p.c.
345	Zinc dust, strip and sheets; zinc plates for marine boilers; sal ammoniac skimmings and seamless drawn tubing of zinc	Free	Free	Free	345	Free	Free	Free
345a	Zinc spelter and zinc in blocks, pigs, bars or rods; zinc plates, n.o.p., per pound	¾ cent	1 cent	1 cent	345a	¾ cent	1 cent	1 cent
350	Wire of all metals and kinds, n.o.p	15 p.c.	17½ p.c.	20 p.c.	406	15 p.c.	17½ p.c.	20 p.c.
351	Wire, single or several, covered with any material, including cable so covered, n.o.p	20 p.c.	27½ p.c.	30 p.c.	407	20 p.c.	27½ p.c.	30 p.c.
351a	Wire, twisted, braided or stranded, including wire rope and wire cable, coated or not, n.o.p	17½ p.c.	22½ p.c.	25 p.c.	408	17½ p.c.	22½ p.c.	25 p.c.
351b	Wire cloth, or woven wire of brass or copper	17½ p.c.	22½ p.c.	25 p.c.	418	17½ p.c.	22½ p.c.	25 p.c.
352b	Screws of brass, copper or other metal, n.o.p.:							
	(a) Wood screws	22½ p.c.	30 p.c.	35 p.c.	413	22½ p.c.	30 p.c.	35 p.c.
	(b) Machine and other screws, n.o.p	22½ p.c.	30 p.c.	35 p.c.	413	22½ p.c.	30 p.c.	35 p.c.
354a	Nickel and aluminum kitchen or household hollow-ware, n.o.p	20 p.c.	27½ p.c.	30 p.c.	428	20 p.c.	27½ p.c.	30 p.c.
365	Composition metal and plated metal, in bars, ingots or cores, for the manufacture of watch cases, jewellery, filled gold and silver seamless wire and for dental purposes	Free	7½ p.c.	10 p.c.	365	5 p.c.	7½ p.c.	10 p.c.
366	Watch actions and movements, and parts thereof, finished or unfinished, including winding bars and sleeves	Free	12½ p.c.	12½ p.c.	366	10 p.c.	12½ p.c.	12½ p.c.
373	Scrap of iron or steel:				373	Free	Free	Free
	(a) Wrought, being waste or refuse, to be remelted in furnaces or cupolas	Free	Free	Free	374	25 cents	45 cents	50 cents
					775	Free	Free	Free
	(b) Cast, being waste or refuse, to be resmelted in furnaces or cupolas	Free	Free	Free	375	$1.50	$2.50	$2.50
	(c) Railway rails, which have been in actual use, to be remelted in furnaces or to be remanufactured in rolling mills into other products than iron or steel rails	Free	Free	Free	775	Free	Free	Free
	Provided that articles of iron or steel, damaged in transit, if broken up under Customs supervision, and rendered unsaleable except as scrap, may be entered for duty as scrap.							
374	Pig iron, n.o.p., per ton	$1.50	$2.50	$2.50	375	$1.50	$2.50	$2.50
375	Ferro-Alloys:							
	(a) Spiegeleisen, being an alloy of iron and manganese, containing not less than 15 per centum and not more than 30 per centum, by weight, of manganese	Free	Free	Free	375b	Free	Free	Free

Tariff Item		British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.)			
					Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
	(b) Ferro-manganese and silico-manganese, being alloys of iron and manganese containing more than 30 per centum, by weight, of manganese...	Free	Free	Free	375b 375	Free $1.50	Free $2.50	Free $2.50
	(c) Ferro-silicon, being an alloy of iron and silicon, containing not less than 10 per centum and not more than 15 per centum, by weight, of silicon..	Free	7½ p.c.	7½ p.c.	375	$1.50	$2.50	$2.50
	(d) Ferro-silicon, being an alloy of iron and silicon, containing more than 15 per centum, by weight, of silicon.....	Free	10 p.c.	10 p.c.	375a	$3.00	$4.50	$4.50
	(e) Ferro-phosphorous, being an alloy of iron and phosphorous, containing more than 15 per centum, by weight, of phosphorous.....	Free	5 p.c.	5 p.c.	375	$1.50	$2.50	$2.50
	(f) Ferro-alloys, crude, for remelting, n.o.p.....	Free	5 p.c.	5 p.c.	375	$1.50	$2.50	$2.50
376	Sponge iron.....	Free	Free	Free				
377	Ingots, of iron or steel, n.o.p., per ton.....	$1.50	$2.50	$3.00	376	$1.50	$2.25	$2.50
377a	Blooms, cogged ingots, slabs, billets, n.o.p., sheet bars, of iron or steel, by whatever process made, n.o.p., per ton.....	$2.50	$4.00	$4.50	376	$1.50	$2.25	$2.50
377b	Ingots, cogged ingots, blooms, slabs, billets, n.o.p., of iron or steel, valued at not less than 3 cents per pound, when imported by manufacturers of steel for use exclusively in the manufacture of steel, in their own factories, under regulations prescribed by the Minister.....	Free	Free	5 p.c.	376	$1.50	$2.25	$2.50
377c	Ingots, cogged ingots, blooms, slabs, billets, n.o.p., of iron or steel, of a class or kind not made in Canada, when imported by manufacturers of forgings for use exclusively in the manufacture of forgings, in their own factories, under regulations prescribed by the Minister, per ton.....	Free	$2.25	$2.50	376	$1.50	$2.25	$2.50
378	Bars and rods, of iron or steel; billets, of iron or steel, weighing less than 60 pounds per lineal yard:							
	(a) Not further processed than hot rolled, n.o.p., per ton.....	$4.25	$6.00	$7.00	378	$4.25	$6.00	$7.00
	(b) Not further processed than hammered or pressed, n.o.p.....	15 p.c.	25 p.c.	30 p.c.	393	20 p.c.	27½ p.c.	30 p.c.
	(c) Cold rolled, drawn, reeled, turned or ground, n.o.p.....	15 p.c.	25 p.c.	30 p.c.	393 393a	20 p.c. 17½ p.c.	27½ p.c. 22½ p.c.	30 p.c. 25 p.c.
	(d) Hot rolled, valued at not less than 4 cents per pound, n.o.p.....	5 p.c.	12½ p.c.	15 p.c.	386	5 p.c.	12½ p.c.	12½ p.c.
379	Bars or rods, of iron or steel, including billets weighing less than 60 pounds per lineal yard, hot rolled, as hereunder defined, under regulations prescribed by the Minister:							

	(a) Rods, when imported by manufacturers of horseshoe nails for use exclusively in the manufacture of horseshoe nails, in their own factories..	Free	Free	Free	387 729	Free Free	Free Free	Free Free
	(b) Rods, in the coil, or bars, one and one-eighth of an inch in diameter and over, when imported by manufacturers of chain for use exclusively in the manufacture of chain, in their own factories, per ton	Free	$3.50	$3.50	471a	$2.25	$3.50	$3.50
	(c) Bars, when imported by manufacturers of shovels for use exclusively in the manufacture of shovels, in their own factories, per ton	Free	$2.75	$3.00	387a	$2.00	$2.75	$3.00
	(d) Rods, in the coil, not over ·375 inch in diameter, when imported by manufacturers of wire for use exclusively in the manufacture of wire, in their own factories, per ton	$2.25	$4.50	$5.00	471	$2.25	$3.50	$3.50
380	Plates, of iron or steel, hot or cold rolled:							
	(a) Not more than 40 inches in width, n.o.p., per ton	$2.00	$4.00	$6.00	379a 381 382 454	$2.00 $2.00 $4.25 20 p.c.	$2.75 $2.75 $6.00 27½ p.c.	$3.00 $3.00 $7.00 30 p.c.
	(b) More than 40 inches in width, n.o.p., per ton	Free	$3.00	$5.00	379a 381 382 454	$2.00 $2.00 $4.25 20 p.c.	$2.75 $2.75 $6.00 27½ p.c.	$3.00 $3.00 $7.00 30 p.c.
	(c) Flanged, dished or curved, n.o.p.	10 p.c.	25 p.c.	30 p.c.	454	20 p.c.	27½ p.c.	30 p.c.
381	Sheets, of iron or steel, hot or cold rolled:							
	(a) ·080 inch, or less in thickness, n.o.p.	7½ p.c.	12½ p.c.	12½ p.c.	384	7½ p.c.	12½ p.c.	12½ p.c.
	(b) More than ·080 inch in thickness, n.o.p., per ton	$4.25	$6.00	$7.00	382 454	$4.25 20 p.c.	$6.00 27½ p.c.	$7.00 30 p.c.
382	Hoop, band or strip, of iron or steel:							
	(a) Hot rolled, ·080 inch or less in thickness, n.o.p.	7½ p.c.	12½ p.c.	12½ p.c.	384	7½ p.c.	12½ p.c.	12½ p.c.
	(b) Hot rolled, more than ·080 inch in thickness, n.o.p., per ton	$4.25	$6.00	$7.00	378	$4.25	$6.00	$7.00
	(c) Cold rolled or cold drawn, ·080 inch or less in thickness, n.o.p.	7½ p.c.	12½ p.c.	15 p.c.	384	7½ p.c.	12½ p.c.	12½ p.c.
	(d) Cold rolled or cold drawn, more than ·080 inch in thickness, n.o.p.	15 p.c.	27½ p.c.	30 p.c.	454	20 p.c.	27½ p.c.	30 p.c.
383	Sheets, plates, hoop, band or strip, of iron or steel:							
	(a) Coated with tin, of a class or kind not made in Canada, n.o.p.	Free.	5 p.c.	5 p.c.	384c	Free	5 p.c.	5 p.c.
	(b) Coated with tin, n.o.p.	7½ p.c.	12½ p.c.	15 p.c.	384	7½ p.c.	12½ p.c.	12½ p.c.
	(c) Coated with zinc, n.o.p.	7½ p.c.	12½ p.c.	15 p.c.	384 378a	7½ p.c. $4.25	12½ p.c. $7.00	12½ p.c. $7.00
	(d) Coated with metal or metals, n.o.p.	7½ p.c.	12½ p.c.	15 p.c.	384	7½ p.c.	12½ p.c.	12½ p.c.
	(e) Coated with paint, tar, asphaltum or otherwise coated, n.o.p.	7½ p.c.	12½ p.c.	15 p.c.	454	20 p.c.	27½ p.c.	30 p.c.
	(f) Coated with vitreous enamel, n.o.p.	15 p.c.	20 p.c.	25 p.c.	427	20 p.c.	27½ p.c.	35 p.c.
	(g) Corrugated, coated or not	15 p.c.	20 p.c.	25 p.c.	454	20 p.c.	27½ p.c.	30 p.c.

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.)			
					Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
384	Skelp, of iron or steel, hot or cold rolled, when imported by manufacturers of pipes and tubes for use exclusively in the manufacture of pipes and tubes, in their own factories, under regulations prescribed by the Minister:							
	(a) Not more than 14 inches in width.....	Free	5 p.c.	5 p.c.	383 746	5 p.c. Free	5 p.c. Free	5 p.c. Free
	(b) More than 14 inches in width.....	Free	5 p.c.	5 p.c.	384 383 384	7½ p.c. 5 p.c. 7½ p.c.	12½ p.c. 5 p.c. 12½ p.c.	12½ p.c. 5 p.c. 12½ p.c.
	The Governor in Council may by Order in Council direct that there be substituted for tariff item 384 in Schedule A of the Customs Tariff, 1907, and the several rates of duties of Customs set opposite said item in Schedule A, the following:							
	Skelp, of iron or steel, hot or cold rolled, when imported by manufacturers of pipes and tubes for use exclusively in the manufacture of pipes and tubes, in their own factories, under regulations prescribed by the Minister:							
	(a) Not more than 14 inches in width.....	5 p.c.	10 p.c.	12½ p.c.				
	(b) More than 14 inches in width.....	5 p.c.	10 p.c.	12½ p.c.				
	From and after the publication of such Order in Council in the Canada Gazette, tariff item 384 as it appears in said Schedule at the time of the passing of this Act shall be repealed and the provisions of the said tariff item as it appears in the last preceding subsection of this section shall be substituted therefor.							
	The Governor in Council shall not direct that such provisions be substituted as aforesaid unless and until the Governor in Council is satisfied that skelp of iron or steel, hot or cold rolled, is manufactured in substantial quantities in Canada from iron or steel made in Canada.							
385	Sheets, plates, hoop, band or strip, of iron or steel, hot rolled, valued at not less than five cents per pound.....	5 p. c.	12½ p.c.	15 p.c.	386	5 p.c.	12½ p.c.	12½ p.c.
386	Sheets, plates, hoop, band or strip, of iron or steel, as hereunder defined, under regulations prescribed by the Minister:							

(a) Plates, when imported by manufacturers for use exclusively in the manufacture or repair of the pressure parts of boilers, pulp digesters, steam accumulators and vessels for the refining of oil, in their own factories	Free	Free	Free	380	Free	Free	Free
(b) Sheets, plates, hoop, band or strip, cold rolled, when imported by manufacturers for use exclusively in the manufacture of butts, hinges, typewriters or sewing machines, in their own factories	Free	7½ p.c.	10 p.c.	730	5 p.c.	7½ p.c.	10 p.c.
(c) Sheets, plates, hoop, band or strip, hot rolled, being mould boards, shares, plough plates, land sides or disc circles, when such rectangles, circles or sketches are cut to shape but not moulded, punched, polished or otherwise manufactured, when imported by manufacturers of agricultural implements for use exclusively in the manufacture of agricultural implements, in their own factories	Free	Free	Free	444	Free	Free	Free
(d) Sheets, hoop, band or strip, coated, polished or not, when imported by manufacturers of saddlery hardware for use exclusively in the manufacture of saddlery hardware, in their own factories	Free	Free	Free	478a	Free	Free	Free
(e) Sheets, hoop, band or strip, hot or cold rolled, when imported by manufacturers of shovels for use exclusively in the manufacture of shovels, in their own factories, per ton	Free	$2.75	$3.00	387a	$2.00	$2.75	$3.00
(f) Hoop, band or strip, drawn, coated or not, when imported by manufacturers of mats for use exclusively in the manufacture of mats, in their own factories	Free	5 p.c.	5 p.c.	767	Free	5 p.c.	5 p.c.
(g) Sheets, plates, hoop, band or strip, not tempered or ground nor further manufactured than cut to shape, without indented edges, when imported by manufacturers of saws or straw cutters for use exclusively in the manufacture of saws or straw cutters, in their own factories	Free	5 p.c.	7½ p.c.	473	Free	Free	Free
(h) Sheets, plates, hoop, band or strip, hardened, tempered or ground, not further manufactured than cut to shape, without indented edges, when imported by manufacturerers of saws for use exclusively in the manufacture of saws, in their own factories	5 p.c.	10 p.c.	12½ p.c.	780 454	7½ p.c. 20 p.c.	12½ p.c. 27½ p.c.	12½ p.c. 30 p.c.
(i) Sheets, hoop, band or strip, when imported by manufacturers for use exclusively in the manufacture of buckle clasps, bedfasts, furniture casters, corset steels, clock springs, shoe shanks, phonograph motor springs or ball bearings, in their own factories	Free	Free	5 p.c.	477	Free	Free	Free

Tariff Item		British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.) Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
386	Sheets, etc.—*Concluded*							
	(j) Hoop, band or strip, being tagging metal, coated or not, when imported by manufacturers of shoe and corset laces for use exclusively in the manufacture of shoe and corset laces, in their own factories	Free	Free	5 p.c.	476 476a 722	Free Free Free	Free Free 5 p.c.	Free Free 5 p.c.
	(k) Sheets, hot or cold rolled, when imported by manufacturers of hollow-ware coated with vitreous enamel or of apparatus designed for cooking or for heating buildings, for use exclusively in the manufacture of hollow-ware coated with vitreous enamel or of vitreous enamelled sheets for apparatus designed for cooking or for heating buildings, in their own factories	Free	10 p.c.	12½ p.c.	384	7½ p.c.	12½ p.c.	12½ p.c.
	(l) Sheets, cold rolled, blue polished, when imported by manufacturers of apparatus designed for cooking or for heating buildings, for use exclusively in the manufacture of apparatus designed for cooking or for heating buildings, in their own factories	Free	10 p.c.	12½ p.c.	384	7½ p.c.	12½ p.c.	12½ p.c.
	(m) Sheets, hoop, band or strip, hot rolled, when imported by manufacturers for use exclusively in the manufacture of sheets, hoop, band or strip, coated with tin, zinc, or other metal or metals, in their own factories	Free	Free	Free	384a	Free	Free	Free
		on and after 5 p.c.	January 1, 1931 7½ p.c.	10 p.c.				
	(n) Hoop, band or strip, hot rolled, ·080 inch or less in thickness, when imported by manufacturers for use exclusively in the manufacture of cold rolled iron or steel, in their own factories	Free	5 p.c.	10 p.c.	384b	Free	Free	Free
	(o) Hoop, band or strip, hot rolled, more than ·080 inch in thickness, when imported by manufacturers for use exclusively in the manufacture of cold rolled iron or steel, in their own factories	Free	12½ p.c.	20 p.c.	384b 378	Free $4.25	Free $6.00	Free $7.00
387	Railway rails, of iron or steel, of any weight or for any purpose, punched, drilled or not, per ton	$4.50	$6.00	$7.00	388	$4.50	$6.00	$7.00
387a	Railway ties, fish-plates, splice bars, rail joints, tie-plates, of iron or steel, per ton	$5.00	$7.00	$8.00	389 454	$5.00 20 p.c.	$7.00 27½ p.c.	$8.00 30 p.c.

387b	Railway intersection layouts, intersections, switches, crossings, frogs, guard rails, of iron or steel.....	15 p.c.	25 p.c.	30 p.c.	390	20 p.c.	30 p.c.	32½ p.c.
388	Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, not punched, drilled or further manufactured than hot rolled, weighing not less than 35 pounds per lineal yard, n.o.p., per ton.....	$1.00	$2.75	$3.00	379	$2.00	$2.75	$3.00
	The Governor in Council may, by Order-in-Council, direct that there be substituted for tariff item 388 in Schedule A of the Customs tariff, 1907, and the several rates of duties of Customs set opposite said item in Schedule A the following:							
	Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, not punched, drilled or further manufactured than hot rolled, weighing not less than one hundred and twenty pounds per lineal yard, n.o.p., per ton..	$2.00	$3.00	$3.00				
	From and after the publication of such Order-in-Council in the Canada Gazette, tariff item 388 as it appears in said Schedule at the time of passing of this Act, shall be repealed and the provisions of the said tariff item as it appears in the last preceding subsection of this section shall be substituted therefor.							
	The Governor in Council shall not direct that such provisions shall be substituted as aforesaid unless and until the Governor in Council is satisfied that iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections weighing less than one hundred and twenty pounds per lineal yard are manufactured in substantial quantities in Canada from steel made in Canada.							
388a	Iron or steel shapes or sections, as hereunder defined, not punched, drilled or further manufactured than hot rolled, weighing not less than 35 pounds per lineal yard, viz: I-beams, up to and including 6 inches in depth, but not to include H sections; channels, up to and including 7 inches in depth; angles, up to and including 6 inches by 6 inches; zees, up to and including 6 inches in depth of web, per ton.....	$4.00	$5.50	$6.00	379	$2.00	$2.75	$3.00
388b	Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, not punched, drilled or further manufactured than hot rolled, n.o.p., per ton.....	$4.25	$6.00	$7.00	377	$4.25	$6.00	$7.00

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.) Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
388c	Iron or steel beams or joists, not punched, drilled or further manufactured than hot rolled, weighing less than 5½ pounds per lineal yard for each inch in depth of web	5 p.c.	12½ p.c.	17½ p.c.	377	$4.25	$6.00	$7.00
388d	Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, punched, drilled or further manufactured than hot rolled or cast, n.o.p.	15 p.c.	30 p.c.	35 p.c.	391	22½ p.c.	30 p.c.	35 p.c.
389	Provided: That upon any article or commodity enumerated in tariff items 377, 377a, 378a, 378b, 378c, 388a, 388b and 388c of this Schedule, not being of greater value than 6½ cents per pound, there shall be levied, collected and paid, under regulations prescribed by the Minister, in addition to the rates of Customs duties enumerated in such said tariff items, an *ad valorem* surtax of five per centum when any such said article or commodity contains any one or more of the following: *(a)* Vanadium, 0·15 per centum or more, by weight. *(b)* Molybdenum, 0·15 per centum or more, by weight. *(c)* Nickel, 0·4 per centum or more, by weight. *(d)* Chromium, 0·4 per centum or more, by weight. *(e)* Tungsten, 0·4 per centum or more, by weight. *(f)* Cobalt, 0·4 per centum or more, by weight. *(g)* Manganese, 1·0 per centum or more, by weight. *(h)* Silicon, 1·0 per centum or more, by weight. *(i)* Any other element, not being iron or carbon, in excess of ·5 per centum by weight.				385	10 p.c.	12½ p.c.	15 p.c.
390	Castings, of iron, malleable, n.o.p.	15 p.c.	25 p.c.	27½ p.c.	453	15 p.c.	25 p.c.	27½ p.c.
390a	Castings, of iron, non-malleable, n.o.p.	15 p.c.	25 p.c.	27½ p.c.	453	15 p.c.	25 p.c.	27½ p.c.
390b	Castings, of steel, n.o.p.	15 p.c.	25 p.c.	27½ p.c.	453	15 p.c.	25 p.c.	27½ p.c.
391	Castings, of iron or steel:							
	(a) Being ingot moulds for use in the production of steel	Free	Free	Free	456a	Free	Free	Free
	(b) Being moulds, n.o.p.	Free	7½ p.c.	10 p.c.	456	5 p.c.	7½ p.c.	10 p.c.
392	Forgings, of iron or steel, in any degree of manufacture, n.o.p.	20 p.c.	27½ p.c.	30 p.c.	3[illegible]3 379a	20 p.c. $2.00	27½ p.c. $2.75	30 p.c. $3.00
393	Tires, of steel, in the rough, not drilled or machined in any manner, for railway vehicles, including locomotives and tenders	Free	5 p.c.	7½ p.c.	458	Free	Free	Free

394	Axles and axle bars, n.o.p., and axle blanks, and parts thereof, of iron or steel:							
	(a) For railway vehicles, including locomotives and tenders	20 p.c.	27½ p.c.	30 p.c.	392	22½ p.c.	30 p.c.	35 p.c.
	(b) For other vehicles, n.o.p.	22½ p.c.	30 p.c.	35 p.c.	392	22½ p.c.	30 p.c.	35 p.c.
	(c) N.o.p.	20 p.c.	27½ p.c.	30 p.c.	393	20 p.c.	27½ p.c.	30 p.c.
395	Sections, of iron or steel, not being ordinary square, flat or round bars, whether forged and punched or not, unfinished, when imported by manufacturers of hames for use exclusively in the manufacture of hames, in their own factories, under regulations prescribed by the Minister	Free	Free	Free	478a	Free	Free	Free
395a	Blanks, of iron or steel, when imported by manufacturers of milling cutters for use exclusively in the manufacture of milling cutters, in their own factories, under regulations prescribed by the Minister.	Free	12½ p.c.	12½ p.c.	386	5 p.c.	12½ p.c.	12½ p.c.
396	Pipe, cast, of iron or steel, valued at not more than five cents per pound, per ton Provided that, if any country imposes upon such goods produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country.	$5.00	$9.00	$10.00	394	$6.00	$7.00	$8.00
396a	Pipe, cast, of iron or steel, n.o.p.	5 p.c.	7½ p.c.	10 p.c.	394	$6.00	$7.00	$8.00
397	Pipes and tubes, of wrought iron or steel, plain or coated:							
	(a) Welded or seamless, with plain or processed ends, not more than 10½ inches in diameter, n.o.p.	15 p.c.	27½ p.c.	30 p.c.	399 400	15 p.c. 20 p.c.	27½ p.c. 27½ p.c.	30 p.c. 30 p.c.
	(b) Welded or seamless, with plain or processed ends, more than 10½ inches in diameter, n.o.p.	10 p.c.	15 p.c.	20 p.c.	398a 400	10 p.c. 20 p.c.	15 p.c. 27½ p.c.	15 p.c. 30 p.c.
	(c) Not joined, with plain ends, not more than 2½ inches in diameter, n.o.p.	5 p.c.	10 p.c.	15 p.c.	397 400	Free 20 p.c.	Free 27½ p.c.	Free 30 p.c.
	(d) N.o.p.	15 p.c.	27½ p.c.	30 p.c.	400	20 p.c.	27½ p.c.	30 p.c.
398	Pipes and tubes, of steel, seamless, cold drawn, plain ends, valued at not less than five cents per pound, n.o.p.	Free	5 p.c.	5 p.c.	396	Free	5 p.c.	5 p.c.
399	Pipes, tubes and flues, of wrought iron or steel, with plain, swelled or thickened ends, when imported for use exclusively in the manufacture or repair of pressure parts of boilers, pulp mill digestors and vessels for the refining of oil, under regulations prescribed by the Minister	Free	Free	Free	395	Free	Free	Free
399a	Pipes and tubes, of wrought iron or steel, brass covered, not more than 3 inches in diameter, and brass trimmings, not polished, lacquered or otherwise manufactured, when imported by manufacturers of iron or brass bedsteads for use exclusively in the manufacture of iron or brass bedsteads, in their own factories, under regulations prescribed by the Minister	Free	Free	Free	486	Free	Free	Free

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.)			
					Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
400	Fittings, of iron or steel, of every description for iron or steel pipes and tubes	20 p.c.	27½ p.c.	30 p.c.	402	20 p.c.	27½ p.c.	30 p.c.
401	Wire, of iron or steel:							
	(a) Barbed fencing, coated or not	Free	Free	Free	480	Free	Free	Free
	(b) Twisted, braided or stranded, including wire rope or cable, coated or not, n.o.p.	15 p.c.	22½ p.c.	25 p.c.	408	17½ p.c.	22½ p.c.	25 p.c.
	(c) Drawn flat or cold rolled flat after drawing, coated or not, n.o.p., not more than ·25 inch in width and less than ·1875 inch in thickness	7½ p.c.	15 p.c.	20 p.c.	406 384	15 p.c. 7½ p.c.	17½ p.c. 12½ p.c.	20 p.c. 12½ p.c.
	(d) Coated with zinc or spelter, curved or not, in coils, ·144, ·104, or ·092 inch in diameter, with tolerance not to exceed ·004 inch, and not for use in telegraph or telephone lines	Free	Free	Free	404	Free	Free	Free
	(e) Coated with zinc or spelter, n.o.p.	10 p.c.	17½ p.c.	20 p.c.	406	15 p.c.	17½ p.c.	20 p.c.
	(f) Single or several, covered with any material, including cable so covered; coated, n.o.p.	15 p.c.	25 p.c.	30 p.c.	407 406	20 p.c. 15 p.c.	27½ p.c. 17½ p.c.	30 p.c. 20 p.c.
	(g) N.o.p.	15 p.c.	17½ p.c.	20 p.c.	406	15 p.c.	17½ p.c.	20 p.c.
402	Woven or welded wire fencing, of iron or steel, from wire not more than ·144 inch and not less than ·080 inch in diameter, with tolerance not to exceed ·004 inch; wire fencing, of iron or steel, coated or not, n.o.p.	Free	12½ p.c.	15 p.c.	405	10 p.c.	12½ p.c.	15 p.c.
402a	Woven or welded wire fencing, of iron or steel, coated or not, n.o.p.; wire cloth or wire netting, of iron or steel, coated or not	15 p.c.	27½ p.c.	30 p.c.	409	20 p.c.	27½ p.c.	30 p.c.
403	Wire, of steel:							
	(a) Spring, not less than ·40 per centum, by weight, of carbon, ·128, ·116, ·104 and ·092 inch in diameter, with tolerance not to exceed ·003 inch, when imported by manufacturers of mattresses, cushions or upholstery for use exclusively in the manufacture of mattresses, cushions or upholstery, in their own factories, under regulations prescribed by the Minister	Free	5 p.c.	7½ p.c.	481 406	Free 15 p.c.	Free 17½ p.c.	Free 20 p.c.
	(b) Flat or woven flat, in the coil, coated or not, ·064 inch in thickness or thinner, with tolerance not to exceed ·002 inch, when imported by manufacturers of corset clasps, steels, wires and dress stays for use exclusively in the manufacture of corset clasps, steels, wires and dress stays, in their own factories, under regulations prescribed by the Minister	Free	5 p.c.	7½ p.c.	479	Free	Free	Free

	(c) Valued at not less than 2¾ cents per pound, when imported by manufacturers of wire rope for use exclusively in the manufacture of wire rope, in their own factories, under regulations prescribed by the Minister	Free	5 p.c.	7½ p.c.	403a	Free	Free	Free
	(d) Single, not covered, in coils, for use exclusively in trolling in *bona fide* deep sea or inland commercial fishing operations	Free	7½ p.c.	10 p.c.	406	15 p.c.	17½ p.c.	20 p.c.
404	Springs, of iron or steel:							
	(a) For the running and draft gear of railway vehicles, including locomotives and tenders	20 p.c.	27½ p.c.	30 p.c.	392	22½ p.c.	30 p.c.	35 p.c.
	(b) For the running gear of other vehicles	22½ p.c.	30 p.c.	35 p.c.	392	22½ p.c.	30 p.c.	35 p.c.
405	Springs, of iron or steel, when imported by manufacturers of surgical trusses for use exclusively in the manufacture of surgical trusses, in their own factories, under regulations prescribed by the Minister	Free	Free	Free	474	Free	Free	Free
405a	Springs, of iron or steel, when imported by manufacturers of clocks for use exclusively in the manufacture of clocks, in their own factories, under regulations prescribed by the Minister	Free	7½ p.c.	10 p.c.	434	7½ p.c.	10 p.c.	10 p.c.
406	Coil chain, coil chain links, including repair links, and chain shackles, of iron or steel:							
	(a) One and one-eighth inches in diameter and over	Free	5 p.c.	5 p.c.	410	Free	5 p.c.	5 p.c.
	(b) Less than one and one-eighth inches in diameter	15 p.c.	20 p.c.	20 p.c.	410a	15 p.c.	20 p.c.	20 p.c.
407	Silent chain and finished roller chain, of iron or steel, of a class or kind not made in Canada, n.o.p., either chain of the type which operates over gears or sprockets with machine cut teeth	Free	20 p.c.	25 p.c.	454	20 p.c.	27½ p.c.	30 p.c.
407a	Chains, of iron or steel, n.o.p.	20 p.c.	27½ p.c.	30 p.c.	454	20 p.c.	27½ p.c.	30 p.c.
408	Malleable sprocket chain and link belting chain, of iron or steel, including roller chain of all kinds for operating on steel sprockets or gears, when imported by manufacturers of agricultural implements for use exclusively in the manufacture of agricultural implements, in their own factories, under regulations prescribed by the Minister	Free	Free	Free	411	Free	Free	Free
409	Cream separators and steel bowls therefor	Free	Free	Free	459	Free	Free	Free
409a	Milking machines and attachments therefor; centrifugal machines for testing butterfat, milk or cream; pasteurizers for dairying purposes; complete parts of all the foregoing	Free	10 p.c.	10 p.c.	448	5 p.c.	10 p.c.	10 p.c.
409b	Cultivators, harrows, seed-drills, horse-rakes, horse-hoes, scufflers, manure spreaders, garden seeders, weeders, and complete parts of all the foregoing	Free	7½ p.c.	7½ p.c.	446	Free	7½ p.c.	7½ p.c.
409c	Ploughs; farm, field, lawn or garden rollers; soil packers; complete parts of all the foregoing	Free	10 p.c.	10 p.c.	446b 448	5 p.c. 5 p.c.	10 p.c. 10 p.c.	10 p.c. 10 p.c.
409d	Mowing machines, harvesters, either self-binding or without binders, binding attachments, reapers, harvesters in combination with threshing machine							

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.)			
					Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
	separators including the motive power incorporated therein, and complete parts of all the foregoing	Free	6 p.c.	6 p.c.	445	Free	6 p.c.	6 p.c.
409e	Spraying and dusting machines and attachments therefor, including hand sprayers, for farm purposes only; fruit or vegetable grading machines and attachments therefor; apparatus specially designed for sterilizing bulbs; pressure testing apparatus for determining maturity of fruit; pruning hooks; pruning shears; and complete parts of all the foregoing	Free	10 p.c.	10 p.c.	448	5 p.c.	10 p.c.	10 p.c.
409f	Hay loaders, hay tedders, potato planters, potato diggers, fodder or feed cutters, ensilage cutters, grain crushers and grain or hay grinders for farm purposes only, post hole diggers, snaths, stumping machines and all other agricultural implements or agricultural machinery, n.o.p., and complete parts of all the foregoing	Free	10 p.c.	10 p.c.	448 453	5 p.c. 15 p.c.	10 p.c. 25 p.c.	10 p.c. 27½ p.c.
409g	Incubators for hatching eggs, brooders for rearing young fowl, and complete parts of all the foregoing	Free	10 p.c.	10 p.c.	448	5 p.c.	10 p.c.	10 p.c.
409h	Hay presses and complete parts thereof	Free	10 p.c.	15 p.c.	453	15 p.c.	25 p.c.	27½ p.c.
409i	Scythes, sickles or reaping hooks, hay or straw knives, edging knives, hoes, pronged forks, rakes, n.o.p.	Free	15 p.c.	20 p.c.	449	10 p.c.	15 p.c.	20 p.c.
409j	Fanning mills; peaviners; corn husking machines; threshing machine separators, including wind stackers, baggers, weighers and self-feeders therefor; complete parts of all the foregoing	Free	10 p.c.	10 p.c.	447b 448	5 p.c. 5 p.c.	10 p.c. 10 p.c.	10 p.c. 10 p.c.
409k	Windmills and complete parts thereof, not including shafting	Free	17½ p.c.	17½ p.c.	446c	12½ p.c.	17½ p.c.	17½ p.c.
409 l	Traction ditching machines (not being ploughs) for use in ditching for tile drains on farms, valued by retail at place of production, when new, at not more than $5,000 each, and complete parts thereof	Free	Free	Free	446a	Free	Free	Free
409m	Internal combustion traction engines for farm purposes, valued at not more than fourteen hundred dollars each; traction attachments designed and imported to be combined with automobiles in Canada for use as traction engines for farm purposes; and complete parts of all the foregoing	Free	Free	Free	447a	Free	Free	Free

409n	Portable engines with boilers, in combination, for farm purposes; horse powers and traction engines for farm purposes, n.o.p.; and complete parts of all the foregoing	Free	10 p.c.	15 p.c.	447	12½ p.c.	17½ p.c.	17½ p.c.
409o	Equipment for generating electric power for farm purposes only, viz.: engine, gas tank, generator, storage battery, and switchboard; and complete parts of all the foregoing	Free	10 p.c.	10 p.c.	448	5 p.c.	10 p.c.	10 p.c.
410	Car loading machines and complete parts thereof for use exclusively for loading coal into box cars	Free	Free	Free	453i	Free	Free	Free
410a	Face loading machines, shaker trough or belt trough conveyors, air engines, flame-proof enclosed driving motors, of a class or kind not made in Canada, and integral parts of all motive power or machinery mentioned in this item, for use exclusively at the face in mining operations	Free	10 p.c.	12½ p.c.	460f	Free	10 p.c.	12½ p.c.
410b	Machinery and apparatus for use exclusively in washing or dry cleaning coal at coal mines or coke plants; machinery and apparatus for use exclusively in producing coke and gas; machinery and apparatus for use exclusively in the distillation or recovery of products from coal tar or gas; and complete parts of all the foregoing, not to include motive power, tanks for gas, nor pipes and valves 10½ inches or less in diameter	7½ p.c.	10 p.c.	12½ p.c.	460b	7½ p.c.	10 p.c.	12½ p.c.
410c	Machinery and apparatus and complete parts thereof for use exclusively in producing unrefined oil from shales, not to include motive power, of a class or kind not made in Canada	Free	Free	Free	469b	Free	Free	Free
410d	Well-drilling machinery and apparatus, and complete parts thereof, of a class or kind not made in Canada, seamless iron or steel tubing over four inches in diameter for use exclusively in drilling for water, natural gas and oil, and in prospecting for minerals, not to include motive power	Free	Free	Free	469	Free	Free	Free
410e	Well-drilling machinery and apparatus and complete parts thereof, and rope twenty-one hundred feet and over in length, capable of drilling wells of two thousand feet and over in depth, of four inches and over in diameter, and of raising and lowering casing over four inches in diameter for such wells, for use exclusively in drilling for water, natural gas and oil, and in prospecting for minerals, not to include motive power	5 p.c.	5 p.c.	5 p.c.	469a	5 p.c.	5 p.c.	5 p.c.
410f	Machinery and appliances of iron or steel, of a class or kind not made in Canada, and elevators, and machinery of floating dredges, for use exclusively in alluvial gold mining	Free	Free	Free	461	Free	Free	Free
410g	Articles for use exclusively in the metallurgy or smelting of iron, viz.: machinery and apparatus for sintering or nodulizing iron ore, concentrated or not, or flue dust; machinery and apparatus for use							

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.)			
					Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
	exclusively in the construction, equipment and repairs of blast furnaces for smelting iron ore, such machinery and apparatus to include hot blast stoves and burners, blast piping and valves connecting the blowing engines with the furnace, scale cars, charging and hoisting apparatus, blast furnace gas piping, cleaners and washers; and integral parts of all the foregoing, but not to include wrought iron pipe or valves 10½ inches and under in diameter, nor structural iron work	Free	5 p.c.	5 p.c.	460c	Free	5 p.c.	5 p.c.
410h	Equipment and integral parts thereof for distributing stone dust in mines	Free	5 p.c.	10 p.c.	689b	Free	5 p.c.	10 p.c.
410i	Miners' rescue appliances, designed for emergency use in mines, where artificial breathing is necessary in the presence of poisonous gases, including high pressure oxygen pumps for use exclusively in connection with such appliances, and automatic resuscitation apparatus for artificial breathing to aid in the saving of human life, and integral parts of all the foregoing	Free	Free	Free	689a	Free	Free	Free
410j	Miners' acetylene lamps and complete parts thereof; miners' safety lamps and complete parts thereof; accessories for cleaning, filling, charging, opening and testing miners' lamps; battery renewal preparations for miners' electric safety lamps; all for use exclusively in mines	Free	Free	Free	460c	Free	Free	Free
410k	Machinery and apparatus, of a class or kind not made in Canada, for use exclusively in handling ore and other materials to be charged into the blast furnace, from the dock, car or stock pile, at the smelting works	Free	Free	Free	460d	Free	Free	Free
410l	Ore crushers, rock crushers, stamp mills, grinding mills, rock drills, percussion coal cutters, coal augers, rotary coal drills, n.o.p., and complete parts of all the foregoing, for use exclusively in mining, metallurgical or quarrying operations	10 p.c.	15 p.c.	20 p.c.	453c	10 p.c.	15 p.c.	20 p.c.
410m	Diamond drills and core drills, not including motive power, and electrically operated rotary coal drills, of a class or kind not made in Canada, and integral parts of the foregoing, for use exclusively in mining operations	Free	Free	Free	460	Free	Free	Free

410n	Diamond drills and core drills, not including motive power, and electrically operated rotary coal drills, n.o.p., and integral parts of the foregoing, for use exclusively in mining operations	Free	10 p.c.	10 p.c.	460	Free	Free
410o	Coal cutting machines, n.o.p.; coal heading machines; electric or magnetic machines for concentrating or separating iron ores; automatic scales for use with conveyors; and integral parts of all the foregoing, for use exclusively in mining or metallurgical operations	Free	Free	Free	460 437	Free 20 p.c.	Free 27½ p.c.	Free 30 p.c.
410p	Sundry articles of metal as follows, for use exclusively in mining and metallurgical operations, viz.: furnaces for the smelting of ores; converting apparatus for metallurgical processes in metals; machinery for the extraction of precious metals by the chlorination or cyanide processes, not to include pumps, vacuum pumps or compressors; blast furnace blowing engines for the production of pig iron; and integral parts of all the foregoing	Free	Free	Free	460	Free	Free	Free
410q	Pumps and vacuum pumps, and complete parts thereof, for use exclusively in the extraction of precious metals by the chlorination or cyanide processes	15 p.c.	17½ p.c.	20 p.c.	460	Free	Free	Free
410r	Power driven reciprocating pumps and complete parts thereof, designed for normal working heads of 400 feet and over, for use exclusively underground in mines	15 p.c.	25 p.c.	27½ p.c.	453	15 p.c.	25 p.c.	27½ p.c.
410s	Amalgam safes; automatic ore samplers; automatic feeders; retorts; mercury pumps; pyrometers; bullion furnaces; amalgam cleaners; and integral parts of all the foregoing, for use exclusively in mining or metallurgical operations	Free	Free	Free	460	Free	Free	Free
410t	Blowers, of iron or steel, of a class or kind not made in Canada, for use in the smelting of ores, or in reduction, separation or refining of metals, ores or minerals; rotary kilns, revolving roasters and furnaces of metal, of a class or kind not made in Canada, designed for roasting ore, mineral, rock or clay; furnace slag trucks and slag pots, of a class or kind not made in Canada; and integral parts of all the foregoing	Free	Free	Free	462	Free	Free	Free
410u	Blowers, of iron or steel, n.o.p., for use in the smelting of ores, or in reduction, separation or refining of metals, ores or minerals; rotary kilns, revolving roasters and furnaces of metal, n.o.p., for use in the roasting of ore, mineral, rock or clay; furnace slag trucks and slag pots, n.o.p.; and integral parts of all the foregoing	15 p.c.	17½ p.c.	20 p.c.	453	15 p.c.	25 p.c.	27½ p.c.
410v	Buddles, vanners, slime or concentrating tables and integral parts thereof, for use in mining and metallurgical operations	Free	Free	Free	677	Free	Free	Free

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.)			
					Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
410w	Machinery, n.o.p., for the concentration or separation of ores, metals or minerals, viz: flotation machines, flotation cells, oil feeders and reagent feeders for flotation machines and flotation cells, pumps, vibrating and impact screens, jigs, magnetic separators, magnetic pulleys and filters, for use in the concentration or separation of ores, metals or minerals, and integral parts of all the foregoing	15 p.c.	17½ p.c.	20 p.c.	453g	10 p.c.	15 p.c.	20 p.c.
410x	Machinery, furnaces and appliances, of a class or kind not made in Canada, and integral parts thereof, for use in the refining of metals, and for the production of anodes, cathodes, blocks, slabs, pigs or ingots, in such refining processes	Free	Free	Free	453	15 p.c.	25 p.c.	27½ p.c.
410y	Heavy duty mine hoists, of a size and capacity not made in Canada	Free	5 p.c.	10 p.c.	453h	10 p.c.	15 p.c.	20 p.c.
410z	Machinery and apparatus, n.o.p., and complete parts thereof, for the recovery of solid or liquid particles from flue or other waste gases at metallurgical or industrial plants, not to include motive power, tanks for gas, nor pipes and valves 10½ inches or less in diameter	7½ p.c.	10 p.c.	12½ p.c.	460b	7½ p.c.	10 p.c.	12½ p.c.
411	Machinery for use in sawing lumber, up to but not including the operation of planing, and complete parts thereof, not to include motive power, when for use exclusively in saw mills, (for the purpose of this item motive power is defined as equipment for driving the machinery of the saw mill)	10 p.c.	15 p.c.	20 p.c.	453b	10 p.c.	15 p.c.	20 p.c.
411a	Machinery, logging cars, cranes, blocks and tackle, wire rope, but not including wire rope to be used for guy ropes or in braking logs going down grade, and complete parts of all the foregoing, for use exclusively in the operation of logging, such operation to include the removal of the log from stump to skidway, log dump, or common or other carrier	10 p.c.	15 p.c.	20 p.c.	453b	10 p.c.	15 p.c.	20 p.c.
411b	Cylinder stave saws, wheel type stave jointers, crozing and champhering machinery, when for use exclusively in making staves	10 p.c.	15 p.c.	20 p.c.	453 453b	15 p.c. 10 p.c.	25 p.c. 15 p.c.	27½ p.c. 20 p.c.
412	Machinery, being newspaper printing presses, of not less value by retail than $1,500 each, of a class or kind not made in Canada	Free	Free	Free	443	Free	Free	Free

412a	Machinery and apparatus, n.o.p., viz.: printing presses and type-making accessories therefor; electrotyping and stereotyping machines; gun and mould apparatus for making press rollers; lithographic presses; offset presses; book-binding machines; embossing machines; engraving machines; photo-engraving apparatus; machines and apparatus for transferring by photographic processes to plates or rolls for use in lithography, rotogravure and printing; machines for graining metal plates; machines for sensitizing metal plates; machines for addressing and wrapping newspapers, magazines, periodicals, pamphlets, and catalogues: machines for bronzing, creasing, scoring, cutting, perforating, punching, gathering, gumming, pasting, jogging, numbering, patching, slitting, re-winding, ruling, sheet-piling, stitching, stripping or varnishing; all the above, including repair parts but not including saws, knives and motive power, when for use exclusively by printers, bookbinders, paper converters and by manufacturers of articles made from paper or cardboard	Free	5 p.c.	10 p.c.	442 453	Free 15 p.c.	5 p.c. 25 p.c.	10 p.c. 27½ p.c.
412b	Flat-bed cylinder printing presses, to print sheets of a size 25 x 38 inches or larger, and complete parts thereof; machines designed to fold or sheet-feed paper or cardboard, and complete parts thereof	Free	5 p.c.	10 p.c.	442	Free	5 p.c.	10 p.c.
412c	Typecasting and typesetting machines and parts thereof for use in printing offices	Free	Free	Free	441	Free	Free	Free
413	Machinery and apparatus, of a class or kind not made in Canada, and parts thereof, specially constructed for preparing, manufacturing, testing or finishing yarns, cordage, and fabrics made from textile fibres or from paper, imported for use exclusively by manufacturers and scholastic or charitable institutions in such processes only	Free	5 p.c.	10 p.c.	468	Free	5 p.c.	10 p.c.
413a	Machinery, of a class or kind not manufactured in Canada, for use in the manufacture of nets or netting for the fisheries, when imported by manufacturers for use exclusively in the making of such nets or netting, in their own factories, but not for use in making nets or netting commonly used for sportsmen's purposes	Free	5 p.c.	10 p.c.	468a	Free	5 p.c.	10 p.c.
414	Typewriters and complete parts thereof	10 p.c.	20 p.c.	25 p.c.	441a	17½ p.c.	22½ p.c.	25 p.c.
414a	Dictating, transcribing and cylinder shaving machines and complete parts thereof, including cylinders and unfinished wax blanks	10 p.c.	20 p.c.	25 p.c.	519 711	20 p.c. 15 p.c.	27½ p.c. 17½ p.c.	30 p.c. 17½ p.c.
414b	Automatic teletypewriters and complete parts thereof	10 p.c.	20 p.c.	25 p.c.	453	15 p.c.	25 p.c.	27½ p.c.

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Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.)			
					Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
414c	Adding, bookkeeping, calculating and invoicing machines and complete parts thereof, n.o.p.....	15 p.c.	20 p.c.	25 p.c.	657	17½ p.c.	22½ p.c.	25 p.c.
415	Electric vacuum cleaners and attachments therefor; hand vacuum cleaners; and complete parts of all the foregoing, including suction hose, n.o.p.....	12½ p.c.	20 p.c.	25 p.c.	519 619 362	20 p.c. 20 p.c. 22½ p.c.	27½ p.c. 30 p.c. 30 p.c.	30 p.c. 35 p.c. 35 p.c.
415a	Refrigerators, domestic or store, of all kinds, completely equipped or not.....	12½ p.c.	20 p.c.	25 p.c.	519 453	20 p.c. 15 p.c.	27½ p.c. 25 p.c.	30 p.c. 27½ p.c.
415b	Washing machines, domestic, with or without motive power incorporated therein; complete parts of washing machines.....	Free	15 p.c.	25 p.c.	453	15 p.c.	25 p.c.	27½ p.c.
415c	Clothes wringers, domestic, and complete parts of metal thereof.....	10 p.c.	15 p.c.	25 p.c.	660	20 p.c.	30 p.c.	32½ p.c.
415d	Sewing machines, with or without motive power incorporated therein; complete parts of sewing machines.....	10 p.c.	15 p.c.	25 p.c.	440	20 p.c.	27½ p.c.	30 p.c.
415e	Sewing machine attachments.....	Free	Free	Free	671	Free	Free	Free
416	Machinery and apparatus and complete parts thereof, including machinery and apparatus for carbonizing lignite coal, but not including motive power, when imported by manufacturers of fuel briquettes for use exclusively in the manufacture of fuel briquettes, in their own factories, under regulations prescribed by the Minister.....	Free	Free	Free	462a 453	Free 15 p.c.	Free 25 p.c.	Free 27½ p.c.
417	Machinery of every kind and complete parts thereof, and structural iron and steel, when imported for use exclusively in the construction and equipment of factories for the manufacture of sugar from beet root, under regulations prescribed by the Minister.	Free	Free	Free	463	Free	Free	Free
418	Machinery and complete parts thereof, when imported by manufacturers for use exclusively in the manufacture of fish meal, stock and poultry food and fertilizers from fish and waste thereof, in their own factories, under regulations prescribed by the Minister.....	Free	15 p.c.	20 p.c.	467a 453	Free 15 p.c.	Free 25 p.c.	Free 27½ p.c.
419	Machinery and complete parts thereof, of a class or kind not made in Canada, when imported by manufacturers of metal keys for the opening of cans containing food products for use exclusively in the							

	manufacture of such keys, in their own factories, under regulations prescribed by the Minister.....	Free	15 p.c.	20 p.c.	453	15 p.c.	25 p.c.	27½ p.c.
420	Machinery and complete parts thereof, of a class or kind not made in Canada, when imported by manufacturers of leather for use exclusively in the tanning of leather or the embossing of leather, in their own factories, under regulations prescribed by the Minister.....	Free	7½ p.c.	10 p.c.	453	15 p.c.	25 p.c.	27½ p.c.
421	Machinery and complete parts thereof, of a class or kind not made in Canada, viz: blungers, vibrating sifters or lawns, pugging machines, slip pumps, wet or dry pans, clay disintegrators, ball mills, clay wheels, pull-downs, batting-out machines, when imported by manufacturers of clay products for use exclusively in the manufacture of clay products, in their own factories, under regulations prescribed by the Minister.....	Free	7½ p.c.	10 p.c.	453	15 p.c.	25 p.c.	27½ p.c.
422	Street or road rollers and complete parts thereof.....	10 p.c.	20 p.c.	20 p.c.	448b	12½ p.c.	20 p.c.	20 p.c.
422a	Concrete road-paving machines, self-propelling, end loading type, with a capacity of 21 cubic feet of wet concrete or more; concrete and asphalt road finishing machines; form graders; sub-graders; cement guns; cranes, shovels, drag-lines, pull-shovels, skimmers and other excavating and material handling machines and equipment of a full-revolving type; trench and ditch excavating machines, round wheel or vertical or ladder boom, chain and bucket type, for digging vertical or sloping bank ditches; back filling machines and equipment, mounted on self-propelling wheels or crawling traction, semi, or full-revolving boom and scraper type; steam or air driven pile hammers or extractors; well-points; truck turntables; all the foregoing of a class or kind not made in Canada, and complete parts thereof.....	Free	10 p.c.	12½ p.c.	453	15 p.c.	25 p.c.	27½ p.c.
423	Electric dental engines.....	Free	15 p.c.	20 p.c.	453a	15 p.c.	27½ p.c.	27½ p.c.
424	Fire engines and other fire extinguishing machines; hand fire extinguishers; sprinkler heads for automatic sprinkler systems for fire protection; complete parts of all the foregoing, n.o.p.....	Free	15 p.c.	25 p.c.	439	22½ p.c.	30 p.c.	35 p.c.
425	Lawn mowers and complete parts thereof.....	15 p.c.	25 p.c.	30 p.c.	450a	20 p.c.	30 p.c.	32½ p.c.
426	Ozone generators or airifiers and complete parts thereof, of a class or kind not made in Canada.....	Free	5 p.c.	10 p.c.	453j	Free	5 p.c.	10 p.c.
427	All machinery composed wholly or in part of iron or steel, of a class or kind not made in Canada, n.o.p., and complete parts thereof.....	Free	15 p.c.	20 p.c.	453	15 p.c.	25 p.c.	27½ p.c.
427a	All machinery composed wholly or in part of iron or steel, n.o.p., and complete parts thereof.....	15 p.c.	25 p.c.	30 p.c.	453	15 p.c.	25 p.c.	27½ p.c.
428	Traction engines and complete parts thereof, n.o.p...	Free	10 p.c.	15 p.c.	453	15 p.c.	25 p.c.	27½ p.c.
428a	Automobile engines and complete parts thereof, n.o.p.....	15 p.c.	25 p.c.	27½ p.c.	453	15 p.c.	25 p.c.	27½ p.c.

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.)			
					Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
428b	Engines or boilers, of a class or kind not made in Canada, and complete parts thereof, n.o.p.	Free	15 p.c.	20 p.c.	453	15 p.c.	25 p.c.	27½ p.c.
428c	Engines or boilers and complete parts thereof, n.o.p.	15 p.c.	25 p.c.	30 p.c.	453	15 p.c.	25 p.c.	27½ p.c.
429	Cutlery of iron or steel, plated or not:							
	(a) Knife blades or blanks, and table forks, of iron or steel, in the rough, not handled, ground or otherwise manufactured	Free	7½ p.c.	10 p.c.	425	5 p.c.	7½ p.c.	10 p.c.
	(b) Table knives and table forks	20 p.c.	27½ p.c.	30 p.c.	426	20 p.c.	27½ p.c.	30 p.c.
	(c) Pen knives, jack-knives and pocket-knives of all kinds	20 p.c.	27½ p.c.	30 p.c.	426	20 p.c.	27½ p.c.	30 p.c.
	(d) Knives, n.o.p.	20 p.c.	27½ p.c.	30 p.c.	426	20 p.c.	27½ p.c.	30 p.c.
	(e) Spoons	20 p.c.	27½ p.c.	30 p.c.	362	22½ p.c.	30 p.c.	35 p.c.
	(f) Scissors and shears, n.o.p.	20 p.c.	27½ p.c.	30 p.c.	426	20 p.c.	27½ p.c.	30 p.c.
	(g) Razors and razor blades	20 p.c.	27½ p.c.	30 p.c.	426	20 p.c.	27½ p.c.	30 p.c.
430	Nuts and bolts with or without threads, washers, rivets, of iron or steel, coated or not; nut and bolt blanks, of iron or steel; per one hundred pounds	50 cts.	50 cts.	75 cts.	412	75 cents	75 cents	75 cents
	and	10 p.c.	20 p.c.	25 p.c.	and	10 p.c.	20 p.c.	25 p.c.
430a	Hinges and butts, of iron or steel, coated or not; hinge and butt blanks, of iron or steel; per one hundred pounds	75 cts.	75 cts.	75 cts.	412	75 cents	75 cents	75 cents
	and	10 p.c.	27½ p.c.	30 p.c.	and	10 p.c.	20 p.c.	25 p.c.
					454	20 p.c.	27½ p.c.	30 p.c.
430b	Screws, of iron or steel, coated or not:							
	(I) Wood screws	15 p.c.	25 p.c.	30 p.c.	413	22½ p.c.	30 p.c.	35 p.c.
	(II) Machine and other screws, n.o.p.	15 p.c.	25 p.c.	30 p.c.	413	22½ p.c.	30 p.c.	35 p.c.
430c	Wire roofing nails of all sizes and wire nails one inch or more in length, of iron or steel, coated or not, per one hundred pounds	40 cts.	55 cts.	60 cts.	416	40 cents	55 cents	60 cents
430d	Cut nails, of iron or steel, coated or not, per one hundred pounds	30 cts.	45 cts.	50 cts.	414	30 cents	45 cents	50 cents
430e	Wire nails less than one inch in length, and nails, brads or tacks of all kinds, n.o.p., of iron or steel, coated or not	15 p.c.	30 p.c.	30 p.c.	416	40 cents	55 cents	60 cents
					417	20 p.c.	30 p.c.	35 p.c.
430f	Railway spikes, of iron or steel, coated or not	20 p.c.	30 p.c.	30 p.c.	414	30 cents.	45 cents	50 cents
430g	Spikes, of iron or steel, coated or not, n.o.p.	20 p.c.	30 p.c.	30 p.c.	417	20 p.c.	30 p.c.	35 p.c.
					414	30 cents	45 cents	50 cents
431	Shovels and spades, of iron or steel, n.o.p.	10 p.c.	15 p.c.	20 p.c.	450	10 p.c.	15 p.c.	20 p.c.
431a	Axes	10 p.c.	15 p.c.	20 p.c.	449	10 p.c.	15 p.c.	20 p.c.
431b	Adzes, anvils, vises, cleavers, hatchets, saws, augers, bits, drills, files, rasps, screwdrivers, planes,							

	spokeshaves, chisels, mallets, metal wedges, wrenches, sledges, hammers, crowbars, cantdogs, and track tools, picks, mattocks and eyes or polls for the same	15 p.c.	27½ p.c.	30 p.c.	454a 454	15 p.c. 20 p.c.	27½ p.c. 27½ p.c.	30 p.c. 30 p.c.
431c	Precision tools, viz.: combination squares, slide calipers, micrometers, depth thickness or screw pitch gauges, rules, and measuring tapes of metal	15 p.c.	25 p.c.	30 p.c.	657	17½ p.c.	22½ p.c.	25 p.c.
432	Hollow-ware, of iron or steel, coated or not, n.o.p	10 p.c.	27½ p.c.	30 p.c.	428	20 p.c.	27½ p.c.	30 p.c.
432a	Kitchen and dairy hollow-ware of iron or steel, coated with tin, including cans for shipping milk or cream, not painted, japanned or decorated	10 p.c.	17½ p.c.	20 p.c.	344a 454	12½ p.c. 20 p.c	17½ p.c. 27½ p.c.	20 p.c. 30 p.c.
432b	Hollow-ware, of iron or steel, coated with vitreous enamel	10 p.c.	27½ p.c.	35 p.c.	427	20 p.c.	27½ p.c.	35 p.c.
432c	Containers manufactured from tin-plate, when imported by manufacturers of food products for use exclusively in the hermetical sealing of food products, in their own factories, under regulations prescribed by the Minister	10 p.c.	22½ p.c.	25 p.c.	344	15 p.c.	22½ p.c.	25 p.c.
432d	Manufactures of tinplate, painted, japanned, decorated or not, and manufactures of tin, n.o.p	15 p.c.	22½ p.c.	25 p.c.	344	15 p.c.	22½ p.c.	25 p.c.
433	Baths, bathtubs, basins, closets, lavatories, urinals, sinks, and laundry tubs of iron or steel, coated or not	10 p.c.	25 p.c.	35 p.c.	289	20 p.c.	30 p.c.	35 p.c.
434	Locomotives and motor cars, for railways, and chassis, tops, wheels, and bodies for the same, n.o.p	15 p.c.	30 p.c.	35 p.c.	438	22½ p.c.	30 p.c.	35 p.c.
435	Locomotives and motor cars for railways, of a class or kind not made in Canada, for use exclusively in mining or metallurgical operations	10 p.c.	15 p.c.	20 p.c.	438e	10 p.c.	15 p.c.	20 p.c.
436	Locomotives and railway passenger, baggage and freight cars, being the property or under the control of railway companies in the United States, running upon any line or road crossing the frontier, so long as Canadian locomotives and cars are admitted free under similar circumstances into the United States, under regulations prescribed by the Minister	—	Free	Free	595	—	Free	Free
437	Locomotives, cars and coaches and repair equipment, belonging to railroads, brought temporarily into Canada for the purpose of clearing obstructions, fighting fires or making emergency repairs on railway lines within Canada	—	Free	Free	438 593	22½ p.c. 20 p.c.	30 p.c. 27½ p.c.	35 p.c. 30 p.c.
438	Railway cars and parts thereof, n.o.p	15 p.c.	27½ p.c.	30 p.c.	593	20 p.c.	27½ p.c.	30 p.c.
439	Bicycles and tricycles, n.o.p	20 p.c.	27½ p.c.	30 p.c.	594	20 p.c.	27½ p.c.	30 p.c.
439a	Articles, of iron or steel, wholly or in part of nickel or electro-plated, when imported by manufacturers of bicycles or tricycles for use exclusively in the manufacture of bicycles or tricycles, in their own factories, under regulations prescribed by the Minister	15 p.c.	27½ p.c.	30 p.c.	751	20 p.c.	27½ p.c.	30 p.c.

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.)			
					Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
439b	Cars, n.o.p., wheelbarrows, trucks, road or railway scrapers and hand carts	15 p.c.	27½ p.c.	30 p.c.	362 593	22½ p.c. 20 p.c.	30 p.c. 27½ p.c.	35 p.c. 30 p.c.
439c	Farm wagons, farm sleds, logging wagons, logging sleds, and complete parts thereof	Free	10 p.c.	10 p.c.	591	5 p.c.	10 p.c.	10 p.c.
439d	Freight wagons, drays, sleighs, n.o.p., and complete parts thereof	Free	25 p.c.	25 p.c.	591a	17½ p.c.	25 p.c.	25 p.c.
439e	Buggies, cutters, carriages, pleasure carts and vehicles, n.o.p.; complete parts of all the foregoing	Free	10 p.c.	15 p.c.	592	22½ p.c.	30 p.c.	35 p.c.
439f	Children's carriages, sleds and other vehicles; complete parts of all the foregoing	10 p.c.	25 p.c.	30 p.c.	592	22½ p.c.	30 p.c.	35 p.c.
440	Ships and other vessels built in any foreign country, if British registered since Sept. 1, 1902, on application for licence to engage in the Canadian coasting trade; on the fair market value of the hull, rigging, machinery, boilers, furniture and appurtenances thereof, (as provided in part XVI of the Canada Shipping Act.)	.....	25 p.c.	25 p.c.	589	.....	25 p.c.	25 p.c.
440a	Vessels, dredges, scows, yachts, boats and other water-borne craft, built outside of Canada, of any material, destined for use or service in Canadian waters (not including registered vessels, entitled to engage in the coasting trade, nor vessels in transit between Canada and any place outside thereof) n.o.p.; on the fair market value of the hull, rigging, machinery, boilers, furniture, and appurtenances thereof, on arrival in Canada Provided that regulations may be prescribed by the Minister for exemption from further duty after the duty specified in this item is once paid.	15 p.c.	25 p.c.	25 p.c.	590	15 p.c.	25 p.c.	25 p.c.
440b	Life boats and life saving apparatus specially imported by societies to encourage the saving of human life	Free	Free	Free	689	Free	Free	Free
440c	Racing shells when imported by a bona fide amateur rowing club in Canada for use exclusively by such club	Free	25 p.c.	25 p.c.	590b	5 p.c.	25 p.c.	25 p.c.
440d	Anchors for vessels	Free	Free	Free	455	Free	Free	Free
440e	Wire rope for use exclusively for rigging of ships and vessels, under regulations prescribed by the Minister	Free	Free	Free	403a	Free	Free	Free
440f	Iron or steel masts, or parts thereof; iron or steel angles, beams, knees, plates and sheets; cable chain; all the foregoing for ships and vessels, under regulations prescribed by the Minister	Free	Free	Free	470	Free	Free	Free

440g	Manufactures of iron, brass or other metal, of a class or kind not made in Canada, for use exclusively in the construction or equipment of ships or vessels, under regulations prescribed by the Minister.....	Free	Free	Free	470	Free	Free	Free
440h	Chronometers and compasses, and parts thereof, including cards therefor, of a class or kind not made in Canada, for ships or aircraft.....	Free	Free	Free	369	Free	Free	Free
440i	The following articles and materials when imported by manufacturers of automatic gas buoys and automatic gas beacons, for use in the manufacture of such buoys and beacons, for the Government of Canada, for marine signal purposes or for export, under regulations prescribed by the Minister, viz.: iron or steel tubes over sixteen inches in diameter; flanged and dished steel heads made from boiler plate, over five feet in diameter; hardened steel balls, not less than three inches in diameter; acetylene gas lanterns and parts thereof; and tobin bronze in bars or rods.....	Free	Free	Free	465	Free	Free	Free
440j	Trawls, trawling spoons, fly hooks, sinkers, swivels, sportmen's fishing bait and fishing hooks, n.o.p...	20 p.c	25 p.c.	30 p.c.	422	22½ p.c.	30 p.c.	35 p.c.
440k	Engines and complete parts thereof, to be used exclusively in the propulsion of boats or in hoisting nets and lines used in such boats bona fide owned by individual fishermen for their own use in the fisheries, under regulations prescribed by the Minister.....	Free	12½ p.c.	15 p.c.	453e	10 p.c.	12½ p.c.	15 p.c.
440l	Aircraft and complete parts thereof, not including engines, under regulations prescribed by the Minister.....	10 p.c.	25 p.c.	27½ p.c.	590a	15 p.c.	25 p.c.	27½ p.c.
440m	Engines and complete parts thereof, when imported for use only in the equipment of aircraft.....	Free	7½ p.c.	10 p.c.	590c	Free	7½ p.c.	10 p.c.
		On and after July 1, 1930			On and after July 1, 1930			
		10 p.c.	25 p.c.	27½ p.c.		15 p.c.	25 p.c.	27½ p.c.
441	Guns, rifles, including air guns and air rifles not being toys; muskets, cannons, pistols, revolvers, or other firearms; cartridge cases, cartridges, primers, percussion caps, wads or other ammunition, n.o.p.; bayonets, swords, fencing foils and masks; gun or pistol covers or cases, game bags, loading tools and cartridge belts of any material.....	10 p.c.	27½ p.c.	30 p.c.	424	20 p.c.	27½ p.c.	30 p.c.
441a	All tools and machinery not manufactured in Canada up to the required standard necessary for any factory to be established in Canada for the manufacture of rifles for the Government of Canada, under regulations prescribed by the Minister.....	Free	Free	Free	464	Free	Free	Free
441b	All materials or parts in the rough, unfinished, and screws, nuts, bands and springs, to be used in rifles to be manufactured at any factory, to be established in Canada for the manufacture of rifles, for the Government of Canada, under regulations prescribed by the Minister.....	Free	Free	Free	464	Free	Free	Free

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.)			
					Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
441c	Steel imported by manufacturers for use in their own factories in manufacturing rough unfinished parts of rifles, when such parts are to be used in rifles to be made for the Government of Canada, under regulations prescribed by the Minister	Free	Free	Free	725	Free	Free	Free
441d	Gun barrels, in single tubes, forged, rough-bored	Free	Free	Free	726	Free	Free	Free
442	Articles which enter into the cost of manufacture of the goods enumerated in tariff items 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409j, 409o, and 439c, when imported by manufacturers for use exclusively in the manufacture in their own factories of the goods enumerated in tariff items 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409j, 409o, and 439c, under regulations prescribed by the Minister. Provided that goods which are entitled to free entry or to a lower rate of duty than is mentioned in this item shall not be entered at the rate specified in this item.	5 p.c.	6 p.c.	6 p.c.	445a	5 p.c.	6 p.c.	6 p.c.
442a	Pig iron or hot rolled iron or steel, when imported by manufacturers for use exclusively in the manufacture, in their own factories, of the goods enumerated in tariff items 409a, 409b, 409c, 409d, 409e, 409f, 490g, 490j, 409o, and 439c, under regulations prescribed by the Minister	Free	Free	Free	445b	Free	Free	Free
442b	Materials which enter into the construction and form part of cream separators when imported by manufacturers of cream separators for use exclusively in the manufacture of cream separators, in their own factories, under regulations prescribed by the Minister	Free	Free	Free	472	Free	Free	Free
442c	Articles of metal when imported by manufacturers of cream separator parts for use exclusively in the manufacture of cream separator parts, in their own factories, under regulations prescribed by the Minister	Free	Free	Free	745	Free	Free	Free
443	Apparatus designed for cooking or for heating buildings:							
	(1) For coal or wood	Free	22½ p.c.	25 p.c.	451	15 p.c.	22½ p.c.	25 p.c.
	(2) For gas	Free	22½ p.c.	30 p.c.	451	15 p.c.	22½ p.c.	25 p.c.
	(3) For electricity	Free	22½ p.c.	25 p.c.	453	15 p.c.	25 p.c.	27½ p.c.
	(4) For oil	Free	22½ p.c.	25 p.c.	451	15 p.c.	22½ p.c.	25 p.c.
	(5) N.o.p.	Free	22½ p.c.	25 p.c.	451	15 p.c.	22½ p.c.	25 p.c.

443a	Electric tumbler and rotary switches and electric relay switches for automatic oven control, when imported by manufacturers of electric apparatus designed for cooking or for heating buildings, for use exclusively in the manufacture of electric apparatus designed for cooking or for heating buildings, in their own factories, under regulations prescribed by the Minister	7½ p.c.	20 p.c.	25 p.c.	453	15 p.c.	25 p.c.	27½ p.c.
443b	Parts, when imported by manufacturers of electric switches for use exclusively in the manufacture of electric tumbler and rotary switches and electric relay switches for automatic oven control, for use on electric apparatus designed for cooking or for heating buildings	Free	12½ p.c.	17½ p.c.	453	15 p.c.	25 p.c.	27½ p.c.
443c	Compensating thermometers or mercury thermometers, of a class or kind not made in Canada, when imported by manufacturers of apparatus designed for cooking or for heating buildings, for use exclusively in the manufacture of apparatus designed for cooking or for heating buildings, in their own factories, under regulations prescribed by the Minister	Free	15 p.c.	20 p.c.	657	17½ p.c.	22½ p.c.	25 p.c.
443d	Stove urns of metal, and dovetails, chaplets and hinge tubes of tin, when imported by manufacturers of apparatus designed for cooking or for heating buildings, for use exclusively in the manufacture of apparatus designed for cooking or for heating buildings, in their own factories, under regulations prescribed by the Minister	Free	7½ p.c.	10 p.c.	451a	5 p.c.	7½ p.c.	10 p.c.
444	Gas meters, and complete parts thereof	15 p.c.	30 p.c.	35 p.c.	436	22½ p.c.	30 p.c.	35 p.c.
444a	Gas, coal oil or other lighting fixtures and appliances, n.o.p., including tips, burners, collars and galleries; gas mantles and incandescent gas burners; complete parts of all the foregoing	15 p.c.	27½ p.c.	30 p.c.	435	20 p.c.	27½ p.c.	30 p.c.
444b	Lamp shades, n.o.p., and shade holders	15 p.c.	27½ p.c.	30 p.c.	435	20 p.c.	27½ p.c.	30 p.c.
445	Electric light fixtures and appliances, n.o.p., and complete parts thereof	15 p.c.	27½ p.c.	30 p.c.	435	20 p.c.	27½ p.c.	30 p.c.
445a	Electric head, side and tail lights; electric torches or flashlights	15 p.c.	27½ p.c.	30 p.c.	435	20 p.c.	27½ p.c.	30 p.c.
445b	Electric arc lamps and incandescent electric light lamps, n.o.p.	15 p.c.	27½ p.c.	30 p.c.	435	20 p.c.	27½ p.c.	30 p.c.
445c	Electric telegraph or telephone apparatus and complete parts thereof	15 p.c.	25 p.c.	27½ p.c.	453	15 p.c.	25 p.c.	27½ p.c.
445d	Electric wireless or radio apparatus and complete parts thereof	15 p.c.	25 p.c.	27½ p.c.	453	15 p.c.	25 p.c.	27½ p.c.
445e	Electric and galvanic batteries, n.o.p., and complete parts thereof	15 p.c.	25 p.c.	27½ p.c.	453	15 p.c.	25 p.c.	27½ p.c.
445f	Electric dynamos or generators and transformers, n.o.p., and complete parts thereof	15 p.c.	25 p.c.	27½ p.c.	453	15 p.c.	25 p.c.	27½ p.c.
445g	Electric motors, n.o.p., and complete parts thereof	15 p.c.	25 p.c.	27½ p.c.	453	15 p.c.	25 p.c.	27½ p.c.

Tariff Item		British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.) Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
445h	Electric insulators of all kinds, n.o.p., and complete parts thereof	15 p.c.	25 p.c.	27½ p.c.	453	15 p.c.	25 p.c.	27½ p.c.
445i	Electric sad irons and complete parts thereof	15 p.c.	25 p.c.	27½ p.c.	453	15 p.c.	25 p.c.	27½ p.c.
445j	Electric apparatus, of a class or kind not made in Canada, n.o.p., and complete parts thereof	Free	15 p.c.	20 p.c.	453	15 p.c.	25 p.c.	27½ p.c.
445k	Electric apparatus, n.o.p., and complete parts thereof	15 p.c.	25 p.c.	30 p.c.	453	15 p.c.	25 p.c.	27½ p.c.
446	Manufactures, articles or wares, of iron or steel or of which iron or steel or both are the component materials of chief value, of a class or kind not made in Canada, n.o.p	Free	15 p.c.	20 p.c.	454	20 p.c.	27½ p.c.	30 p.c.
446a	Manufactures, articles or wares, of iron or steel or of which iron or steel or both are the component materials of chief value, n.o.p	15 p.c.	25 p.c.	30 p.c.	454	20 p.c.	27½ p.c.	30 p.c.
447	Water pumps, hand or power, for domestic purposes only	Free	25 p.c.	30 p.c.	454 453	20 p.c. 15 p.c.	27½ p.c. 25 p.c.	30 p.c. 27½ p.c.
448	Steel balls, for use only on bearings of machinery and vehicles	Free	7½ p.c.	10 p.c.	491	Free	7½ p.c.	10 p.c.
449	Steel wool	Free	7½ p.c.	10 p.c.	492	5 p.c.	7½ p.c.	10 p.c.
450	Skates of all kinds, roller or other, and parts thereof	15 p.c.	25 p.c.	30 p.c.	423	22½ p.c.	32½ p.c.	35 p.c.
451	Buckles, clasps, eyelets, hooks and eyes, dome, snap, hookless or other fasteners, of iron, steel, brass or other metal, coated or not, n.o.p. (not being jewellery)	20 p.c.	27½ p.c.	30 p.c.	420 454 362 357 352 711	20 p.c. 20 p.c. 22½ p.c. 17½ p.c. 20 p.c. 15 p.c.	27½ p.c. 27½ p.c. 30 p.c. 27½ p.c. 27½ p.c. 17½ p.c.	30 p.c. 30 p.c. 35 p.c. 30 p.c. 30 p.c. 17½ p.c.
451a	Needles, of any material or kind, n.o.p	15 p.c.	27½ p.c.	30 p.c.	419	20 p.c.	27½ p.c.	30 p.c.
451b	Pins manufactured from wire of any metal, n.o.p	20 p.c.	27½ p.c.	30 p.c.	419	20 p.c.	27½ p.c.	30 p.c.
451c	Corset clasps, busks, blanks, steels, and covered corset wires, cut to length, tipped or untipped; reed, rattan or horn, covered	15 p.c.	27½ p.c.	30 p.c.	637	22½ p.c.	30 p.c.	35 p.c.
451d	Metal glove fasteners, papier mache shoe buttons, shoe eyelets, corset eyelets, shoe eyelet hooks, shoe lace wire fasteners	Free	Free	Free	671	Free	Free	Free
452	Metal tips, studs and eyes, when imported by manufacturers of corset clasps and corset wires for use exclusively in the manufacture of corset clasps and corset wires, in their own factories, under regulations prescribed by the Minister	Free	Free	Free	671a	Free	Free	Free

453	Metal parts when imported by manufacturers of covered buttons for use exclusively in the manufacture of covered buttons, in their own factories, under regulations prescribed by the Minister.....	Free	17½ p.c.	20 p.c.	650	12½ p.c.	17½ p.c.	20 p.c.
454	Frames not more than ten inches in width, clasps and fasteners, when imported by manufacturers of purses, chatelaine bags or reticules for use exclusively in the manufacture of purses, chatelaine bags or reticules, in their own factories, under regulations prescribed by the Minister.....	Free	17½ p.c.	20 p.c.	658	12½ p.c.	17½ p.c.	20 p.c.
455	Ribs of brass, iron or steel, runners, rings, caps, notches, ferrules, mounts and sticks or canes in the rough, or not further manufactured than cut into lengths, suitable for umbrella, parasol, sunshade or walking sticks, when imported by manufacturers of umbrellas, parasols and sunshades for use exclusively in their own factories, under regulations prescribed by the Minister.....	Free	5 p.c.	7½ p.c.	672	Free	Free	Free
456	Wire of brass, zinc, iron or steel, screwed, twisted, flattened or corrugated, for use exclusively in connection with nailing machines for the manufacture of boots and shoes, in boot and shoe factories, under regulations prescribed by the Minister.....	Free	Free	Free	482	Free	Free	Free
457	Tubs of metal, coated or not; copper sheets, plated or not; zinc sheets, plated; ball-bearings; gasoline engines and electric motors of less than one horsepower; all the foregoing when imported by manufacturers of washing machines or wringers for use exclusively in the manufacture of washing machines or wringers, in their own factories, under regulations prescribed by the Minister.....	Free	7½ p.c.	10 p.c.	454 362	20 p.c. 22½ p.c.	27½ p.c. 30 p.c.	30 p.c. 35 p.c.
457a	Materials or articles of metal, of a class or kind not made in Canada, when imported by manufacturers of washing machines or wringers for use exclusively in the manufacture of washing machines or wringers, in their own factories, under regulations prescribed by the Minister.....	Free	5 p.c.	7½ p.c.	454 362	20 p.c. 22½ p.c.	27½ p.c. 30 p.c.	30 p.c. 35 p.c.
458	Materials, including all parts, when imported by manufacturers of traction engines for use exclusively in the manufacture of traction engines, in their own factories, under regulations prescribed by the Minister.....	Free	Free	Free	1028 1039	99 p.c. drawback 30 p.c. drawback		
459	Materials, including all parts, when imported by manufacturers of street or road rollers for use exclusively in the manufacture of street or road rollers, in their own factories, under regulations prescribed by the Minister.....	Free	7½ p.c.	10 p.c.	1039	30 p.c. drawback		

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.)			
					Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
460	Materials to be used in Canada for the construction of bridges and tunnels crossing the boundary between the United States and Canada, when similar materials are admitted free under similar circumstances into the United States, under regulations prescribed by the Minister	Free	Free	Free	596	Free	Free	Free
461	Safes, doors for safes and vaults; scales, balances, weighing beams and strength testing machines of all kinds, n.o.p.	10 p.c.	25 p.c.	30 p.c.	437	20 p.c.	27½ p.c.	30 p.c.
462	Philosophical, photographic, mathematical and optical instruments, n.o.p.; speedometers, cyclometers and pedometers, and tape lines of any material, n.o.p.; complete parts of all the foregoing	15 p.c.	25 p.c.	30 p.c.	657 362 454	17½ p.c. 22½ p.c. 20 p.c.	22½ p.c. 30 p.c. 27½ p.c.	25 p.c. 35 p.c. 30 p.c.
463	Magic lanterns and slides therefor	Free	20 p.c.	25 p.c.	657	17½ p.c.	22½ p.c.	25 p.c.
464	Steel dies, of a class or kind not made in Canada, valued at not less than one thousand dollars each, for use exclusively in stamping metal sheets or metal plates Provided that such dies shall be exported from Canada under Customs supervision within three months from the date of import entry.	Free	Free	Free	453d	Free	Free	Free
465	Signs of any material other than paper, framed or not; letters and numerals of any material other than paper	15 p.c.	25 p.c.	30 p.c.	661	20 p.c.	27½ p.c.	30 p.c.
466	Iron sand or globules of iron shot, and dry putty, for use in polishing glass or granite or for sawing stone	Free	Free	Free	457	Free	Free	Free
467	Window shade or blind rollers	15 p.c.	25 p.c.	30 p.c.	517	20 p.c.	30 p.c.	35 p.c.
468	Bird, squirrel and rat cages, of wire, and metal parts thereof	15 p.c.	25 p.c.	30 p.c.	421	22½ p.c.	30 p.c.	35 p.c.
469	Machine card clothing	15 p.c.	20 p.c.	25 p.c.	429	17½ p.c.	22½ p.c.	25 p.c.
470	Patterns of iron, steel, brass or other metal, not being models	20 p.c.	27½ p.c.	30 p.c.	430	20 p.c.	27½ p.c.	30 p.c.
471	Belt pulleys of all kinds, for power transmission	15 p.c.	25 p.c.	27½ p.c.	452	15 p.c.	25 p.c.	27½ p.c.
472	Plates engraved on wood, steel, or other metal and transfers taken from the same, n.o.p.; engravers' plates of steel, or other metal, polished or otherwise processed, for engraving thereon	10 p.c.	15 p.c.	20 p.c.	431	15 p.c.	17½ p.c.	20 p.c.
473	Plates for printing in two or more colours, including electrotypes, nickeltypes and all engravings on steel or other metal, for use exclusively in printing	Free	15 p.c.	20 p.c.	431	15 p.c.	17½ p.c.	20 p.c.

474	Stereotypes, electrotypes and celluloids, for almanacs, calendars, illustrated pamphlets, newspaper or other advertisements, n.o.p.; and matrices or copper shells for such stereotypes, electrotypes and celluloids, per square inch	1 cent	1¼ cents	1½ cents	432	1 cent	1¼ cents	1½ cents
475	Stereotypes, electrotypes and celluloids of books, and bases and matrices and copper shells for the same, whether composed wholly or in part of metal or celluloid	Free	Free	Free	483	Free	Free	Free
475a	Stereotypes, electrotypes, celluloids and bases for the same, composed wholly or in part of metal or celluloid, n.o.p., and copper shells for such stereotypes, electrotypes and celluloids, per square inch	⅛ cent	⅛ cent	⅛ cent	433	⅛ cent	⅛ cent	⅛ cent
475b	Matrices for stereotypes, electrotypes and celluloids described in item 475a, per square inch	½ cent	½ cent	½ cent	433a	½ cent	½ cent	½ cent
476	Surgical and dental instruments of any material; surgical needles; X-ray apparatus; surgical operating tables for use in hospitals; microscopes valued at not less than $50 each by retail; and complete parts of all the foregoing	Free	Free	Free	466 326a 618	Free 15 p.c. 15 p.c.	Free 20 p.c. 25 p.c.	Free 22½ p.c. 27½ p.c.
476a	Glassware and other scientific apparatus for laboratory work in public hospitals; apparatus for sterilizing purposes, including bedpan washers and sterilizers but not including washing or laundry machines; all for the use of any public hospital, under regulations prescribed by the Minister	Free	Free	Free	466a 362	Free 22½ p.c.	Free 30 p.c.	Free 35 p.c.
476b	Surgical suction apparatus including motive power; prepared surgical catgut; chloroform; ethyl chloride; canopy or pedestal operating room lights designed to minimize shadow, not including bulbs; all the foregoing of a class or kind not made in Canada, and complete parts thereof, for the use of any public hospital, under regulations prescribed by the Minister	Free	Free	Free	453 711 219 435	15 p.c. 15 p.c. 15 p.c. 20 p.c.	25 p.c. 17½ p.c. 22½ p.c. 27½ p.c.	27½ p.c. 17½ p.c. 25 p.c. 30 p.c.
477	Metallic tubes, glass caps, shells, containers and capillary tubes, rubber bulbs, boxes and corks, when imported by manufacturers of vaccine points for use exclusively in the manufacture of vaccine points, in their own factories, under regulations prescribed by the Minister	Free	Free	Free	676	Free	Free	Free
478	Artificial limbs, and complete parts thereof	Free	Free	Free	688	Free	Free	Free
479	Materials and articles, when imported by manufacturers of artificial limbs for use exclusively in the manufacture of artificial limbs, in their own factories, under regulations prescribed by the Minister	Free	Free	Free	770 719	Free Free	Free Free	Free Free
480	Crutches or specially constructed staffs for cripples	Free	Free	Free	506a	Free	Free	Free

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates (E. & O. E.)			
					Present Tariff Item	British Preferential Tariff	Intermediate Tariff	General Tariff
481	Specially constructed boot or appliance made to order for a person having a crippled or deformed foot or ankle	Free	Free	Free	611b	Free	Free	Free
482	Ear-telephone sets and similar appliances, including complete parts and batteries therefor, for use by deaf persons, under regulations prescribed by the Minister	Free	Free	Free	453	15 p.c.	25 p.c.	27½p.c.
494	Manufactures of corkwood or cork bark, n.o.p., including strips, shives, shells and washers of cork	Free	17½ p.c.	20 p.c.	494	15 p.c.	17½ p.c.	20 p.c.
494a	Cork slabs, boards, planks and tiles produced from cork waste or granulated or ground cork	Free	17½ p.c.	25 p.c.	494a	15 p.c.	17½ p.c.	25 p.c.
498	Cane, reed or rattan, not further manufactured than split, n.o.p.	Free	10 p.c.	10 p.c.	498	7½ p.c.	10 p.c.	10 p.c.
502b	Bicycle rim strips of maple not further manufactured than bent to shape and jointed	Free	12½ p.c.	15 p.c.	502b	10 p.c.	12½ p.c.	15 p.c.
502c	Wood handles or stems for handles, not further manufactured than turned, when imported by manufacturers of goods enumerated in tariff items 409a, 409c, 409e, 409f, 409g, 409i, 409j, 409o, 431 and 431a for use exclusively in the manufacture of goods enumerated in said items	Free	Free	Free	502c	Free	Free	Free
502d	Gun stocks and fore-ends for shot guns, of walnut in the rough, not further manufactured than bored and channelled, when imported by manufacturers of shot guns for use only in the manufacture of shot guns in their own factories	Free	12½ p.c.	15 p.c.	502d	10 p.c.	12½ p.c.	15 p.c.
506a	Clothes pins, with springs, per gross	Free	9 cts.	10 cts.	506	17½ p.c.	22½ p.c.	25 p.c.
513	Umbrella, parasol and sunshade sticks or handles, n.o.p.	Free	17½ p.c.	20 p.c.	513	15 p.c.	17½ p.c.	20 p.c.
516	Blinds of wood, metal or other material, not textile or paper	Free	27½ p.c.	30 p.c.	516	20 p.c.	27½ p.c.	30 p.c.
535a	Grasses, seaweed, mosses and vegetable fibres other than cotton, n.o.p.; bagasse of sugar cane, whether or not dried, cleaned, cut to size, ground or sifted	Free	17½ p.c.	17½ p.c.	535a	10 p.c.	17½ p.c.	17½ p.c.
535c	Vegetable fibres other than cotton, when imported by manufacturers of brushes for use exclusively in the manufacture of brushes, in their own factories	Free	5 p.c.	7½ p.c.	535a	10 p.c.	17½ p.c.	17½ p.c.
553a	Stereotypers' and typecasters' blankets or blanketing and press blankets or blanketing used for printing presses, of a class or kind not made in Canada	Free	5 p.c.	10 p.c.	442	Free	5 p.c.	10 p.c.
577	Collars and cuffs of xylonite, xyolite or celluloid	Free	20 p.c.	25 p.c.	577	15 p.c.	20 p.c.	25 p.c.
584a	Asphalt, not solid	Free	17½ p.c.	17½ p.c.	584a	12½ p.c.	17½ p.c.	17½ p.c.

588a	Gas for heating, cooking or illuminating, imported by pipe line, per one thousand cubic feet	—	—	6 cts.	588a	6 cents	6 cents	6 cents
605	Skins for morocco leather, tanned but not further manufactured; tanners' scrap leather; leather not further finished than tanned, and skins, n.o.p.	10 p.c.	12½ p.c.	15 p.c.	605	10 p.c.	12½ p.c.	15 p.c.
605a	Belting leather, further finished than tanned	10 p.c.	20 p.c.	22½ p.c.	605	10 p.c.	12½ p.c.	15 p.c.
618b	Tires of rubber for vehicles of all kinds, fitted or not	22½ p.c.	30 p.c.	35 p.c.	592	22½ p.c.	30 p.c.	35 p.c.
636	Featherbone, plain or covered, in coils	Free	17½ p.c.	20 p.c.	636	12½ p.c.	17½ p.c.	20 p.c.
649	Shoe buttons, n.o.p.	Free	22½ p.c.	25 p.c.	649	17½ p.c.	22½ p.c.	25 p.c.
650a	Button blanks of animal shell, in the rough	Free	10 p.c.	10 p.c.	650a	7½ p.c.	10 p.c.	10 p.c.
657b	Special parts, in the rough, when imported by manufacturers of cameras, for use only in the manufacture of cameras	Free	7½ p.c.	7½ p.c.	657b	5 p.c.	7½ p.c.	7½ p.c.
663c	Soya beans, soya bean cake and soya bean meal when imported by manufacturers of cattle foods and fertilizers for use exclusively in the manufacture of cattle foods and fertilizers, in their own factories.	Free	Free	Free	736 711	Free 15 p.c.	Free 17½ p.c.	Free 17½ p.c.
665	Torpedoes, fire-crackers and fire-works of all kinds.	Free	22½ p.c.	25 p.c.	665	17½ p.c.	22½ p.c.	25 p.c.
665a	Fuse, not metallic	Free	17½ p.c.	20 p.c.	665a	12½ p.c.	17½ p.c.	20 p.c.
670	Grinding wheels, stones or blocks, manufactured by the bonding together of either natural or artificial abrasives; manufactures of emery or of artificial abrasives, n.o.p.	15 p.c.	22½ p.c.	25 p.c.	670 670a	17½ p.c. 10 p.c.	22½ p.c. 12½ p.c.	25 p.c. 15 p.c.
672a	Sticks or canes cut into suitable lengths for umbrella, parasol or sunshade or walking sticks, further manufactured than in tariff item 455, but not further finished than bent, when imported by manufacturers of umbrellas, parasols, sunshades or walking sticks, for use exclusively in the manufacture of such articles in their own factories	Free	12½ p.c.	15 p.c.	672a	10 p.c.	12½ p.c.	15 p.c.
688	Artificial teeth, not mounted	Free	Free	Free	688	Free	Free	Free
698a	Metal sheets for use only in making Braille printing plates, typewriters with Braille characters on the keys and writing appliances for use only by the blind	Free	Free	Free	698a 349	Free 5 p.c.	Free 7½ p.c.	Free 10 p.c.
706	Articles for the personal or official use of representatives of foreign countries and of His Majesty's Governments, and for the personal use of their families, suites or servants, under regulations prescribed by the Governor in Council Provided that the Governor in Council may withdraw any of the privileges granted under this section in the case of any country which refuses to grant the same privileges to Canadian officials holding corresponding or equivalent posts in that country, and may also rescind any Order in Council withdrawing the privileges as aforesaid.	Free	Free	Free	706	Free	Free	Free

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[Mr. Dunning.]

4. Resolved, That Section B to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter seventeen of the Acts of 1928, and by Order in Council, be amended by striking thereout tariff items 1005, 1006, 1009, 1015, 1018, 1021, 1023, 1026, 1027, 1028, 1036, 1039, 1045, 1047, 1048, 1056, 1057, 1058, 1059, 1062, 1063, 1064, the enumerations of goods and the rates of drawback of customs duties set opposite to each of the said items, and by repealing Order in Council, P.C. 2851, dated the thirteenth day of August, 1921, and by inserting the following items, enumerations and rates of drawback of customs duties in said Schedule B:—

Tariff Item	Goods	When subject to Drawback	Portion of Duty (Not including Special Duty or Dumping Duty) Payable as Drawback	Present Rates (E. & O.E.)	
				Present Tariff Item	Drawback
1005	Steel	When used in the manufacture of cutlery or stove trimmings	99 p.c. drawback	1009	99 p.c.
1006	Steel	When used in the manufacture of scythes, reaping hooks, hay or straw knives, hoes, agricultural forks, hand rakes, axes or windmills	99 p.c. drawback	1009	99 p.c.
1009	Steel	When used in the manufacture of files, augers, auger bits, bit braces, wrenches, hammers or hatchets	60 p.c. drawback	1009	99 p.c.
1015	Steel	When used in the manufacture of skates or bicycle chain	40 p.c. drawback	1009	99 p.c.
1018	Seamless iron or steel tubing over four inches in diameter	When used in the transmission of natural gas under high pressure from the gas wells to points of distribution	50 p.c. drawback	1064	50 p.c.
1021	Rolled round wire rods in the coil, of iron or steel, not over ·375 inch in diameter	When used in the manufacture of galvanized iron or steel wire, curved or not, ·144, ·104, or ·092 inch in diameter with tolerance not to exceed ·004 inch, but not when such wire is for use in telegraph or telephone lines	99 p.c. drawback	1021	99 p.c.
1023	Hot rolled hexagon iron or steel bars	When used in the manufacture of cold drawn or cold rolled iron or steel bars	60 p.c. drawback	1023	99 p.c.
1026	Materials	When used in the manufacture of containers for articles entitled to entry under tariff item 219a	99 p.c. drawback	.....	New drawback

1027	Materials	When used by manufacturers of malleable iron castings or steel shafting for use exclusively in the manufacture of such articles for use in the manufacture of goods enumerated in tariff items 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409j, 409o, and 439c	80 p.c. drawback	1027	80 p.c.
1028	Steel billets	When used in the manufacture of the seamless pipes, tubes and flues enumerated in tariff items 399 and 410d: Provided that no drawback shall be paid under this item when the pipes, tubes and flues enumerated in Tariff 399 and 410d are dutiable under the General Tariff of Schedule A to this Act	99 p.c. drawback		New drawback
1045	Steel sheets, hot or cold rolled or coated with lead or with lead and tin, ·064 inch to ·022 inch in thickness, 20 to 42 inches in width and 50 to 120 inches in length	When used in the manufacture of stampings for automobiles	99 p.c. drawback	P.C. 2851	99 p.c.
1047	Materials	When used in the manufacture of articles enumerated in tariff item 410e	99 p.c. drawback	1047	99 p.c.
1048	Materials, including all parts	When used in the manufacture of goods enumerated in tariff item 440k	50 p.c. drawback	1048	50 p.c.
1056	Materials	When used in the manufacture of rolled iron or rolled steel entitled to entry under tariff item 442a, when such rolled iron or rolled steel is sold to manufacturers to be used as specified in said item	99 p.c. drawback	1056	99 p.c.
1057	Materials	When used in the manufacture of articles entitled to entry under tariff item 442, when such articles are sold to manufacturers to be used as specified in said item	80 p.c. drawback	1057	80 p.c.
1058	Materials	When used in the manufacture of articles entitled to entry under tariff items 411 and 411a, not including saws, and articles entitled to entry under tariff item 410 (1), when such articles are used as specified in said items	60 p.c. drawback	1058	60 p.c.

Tariff Item	Goods	When subject to Drawback	Portion of Duty (Not including Special Duty or Dumping Duty) Payable as Drawback	Present Rates (E. & O.E.)	
				Present Tariff Item	Drawback
1059	Materials	When used in the manufacture of articles entitled to entry under tariff items 410b and 410z when such articles are used as specified in said items	70 p.c. drawback	1059	70 p.c.
1062	Materials, including all parts	When used in the manufacture of marking gauges, levels, planes or hand tool scrapers, spoke shaves, try squares, bevels, measuring tapes, rules, forged wire rope sockets, lathe dogs, tool holders, forged clamps, chain pipe wrenches: Provided that no drawback shall be paid under this item unless at least fifty per centum of the cost of producing the finished article has been incurred in Canada; and provided further that no drawback under this item shall be payable more than once on any article	60 p.c. drawback	1062	60 p.c.
1063	Materials, including all parts, when imported prior to July 1, 1932	When used in the manufacture of engines for use exclusively in the equipment of aircraft: Provided that on and after July 1, 1930, no drawback shall be paid under this item unless at least twenty-five per centum of the cost of producing the finished engine has been incurred in Canada	60 p.c. drawback	1063	50 p.c.
1064	Materials, including all parts, when imported prior to July 1, 1932	When used in the manufacture of aircraft, not including engines: Provided that no drawback shall be paid under this item unless at least fifty per centum of the cost of producing the finished article has been incurred in Canada	60 p.c.	.....	New Drawback

5. Resolved, That any enactment founded on the foregoing resolutions shall be deemed to have come into force on the second day of May, one thousand nine hundred and thirty, and to have applied to all goods mentioned in the foregoing resolutions imported or taken out of warehouse for consumption on and after that date and to have applied to goods previously imported for consumption for which no entry for consumption was made before that day.

Resolved, That it is expedient to introduce a measure to amend The Special War Revenue Act, chapter one hundred and seventy-nine of the Revised Statutes of Canada, 1927, as amended by chapter fifty of the acts of 1928 and chapter fifty-seven of the acts of 1929, and to provide:—

1. That section eighty-six of the said act, as amended by section three of chapter fifty of the acts of 1928 and as amended by section five of chapter fifty-seven of the acts of 1929, be amended by providing that the rate of consumption or sales tax be reduced to one per cent.

2. That schedule 111 to this act be amended by changing the numbers of customs tariff items as follows:

Tariff Item—

410 to read 406a; 410a to read 406b; 445 to read 409d; 445a to read 442; 445b to read 442a; 446 to read 409b; 446b to read 409c; 446c to read 409k; 447 to read 409n; 447b to read 409j; 448 to read 409a, 409c, 409e, 409f, 409g, 409j, 409o; 449 to read 409i, 431a; 450 to read 431; 453b to read 411, 411a, 411b; 453c to read 410l; 453d to read 464; 453e to read 440k; 456a to read 391a; 460 to read 410m, 410n, 410o, 410p, 410q, 410s; 460a to read 410q; 460b to read 410b, 410z; 460c to read 410g; 460d to read 410k; 461 to read 410f; 461a to read iron or steel pipe, not but or lap welded, and wirebound wooden pipe, not less than thirty inches in internal diameter, for use in aluvial gold mining; 466 to read 476; 466a to read 476a; 469 to read 410d; 469a to read 410e; 469b to read 410c; 506a to read 480; 591 to read 439c; 591a to read 439d.

3. That any enactment founded on paragraphs one and two of this resolution shall be deemed to have come into force on the second day of May, one thousand nine hundred and thirty, and to have applied to all goods imported or taken out of warehouse for consumption on and after that day, and to have applied to goods previously imported for which no entry for consumption was made before that date.

4. That section fifty-eight, as enacted by chapter fifty-seven of the statutes of 1929, sections fifty-nine, sixty, sixty-one, sixty-two and sixty-three be repealed and provision made that there shall be imposed, levied and collected upon every change of ownership consequent upon the sale, transfer or assignment of any share of stock of any association, company or corporation, or any bond, debenture or debenture stock other than a bond, debenture or stock of the Dominion of Canada or of any province of Canada, an excise tax as follows:—

(a) Three cents for every one hundred dollars or fraction thereof, of the par value of a bond, debenture or debenture stock;

(b) Five cents for every share of stock sold or transferred at a price over one hundred and fifty dollars per share;

(c) Four cents for every share of stock sold or transferred at a price over seventy-five dollars per share but not more than one hundred and fifty dollars per share;

(d) Three cents for every share of stock sold or transferred at a price over fifty dollars per share but not more than seventy-five dollars per share;

(e) Two cents for every share of stock sold or transferred at a price over twenty-five dollars per share but not more than fifty dollars per share;

(f) One cent for every share of stock sold or transferred at a price over five dollars per share but not more than twenty-five dollars per share;

(g) One-quarter of one cent for every share of stock sold or transferred at a price of one dollar to five dollars per share, but not more than five dollars per share;

(h) One-tenth of one per cent of the value of every share of stock sold or transferred at a price less than one dollar per share;

that the said tax shall be payable in excise tax stamps by the vendor, transferor or assignor;

that every person liable to collect or pay the said tax shall keep records and books of account;

and that any enactment founded on this paragraph four shall come into force on the first day of July, one thousand nine hundred and thirty.

The Minister of Finance—On next—In Committee of Ways and Means—The following resolutions—

Resolved, That it is expedient to amend the Income War Tax Act, and to provide—

1. That the corporation rate of tax be paid in respect of undistributed income when such undistributed income is received by a corporation on the sale or winding up of another corporation.

2. That the income of co-operative companies and associations be exempt from income tax.

3. (a) That an exemption of $500 be ganted in respect of dependent parents, grandparents, brothers, sisters, sons and daughters, incapable of self-support on account of mental or physical infirmity, not otherwise presently provided for.

(b) That donations, to the extent of ten per centum of the net income of the taxpayer to any church, university, college, school or hospital in Canada, be allowed as a deduction.

(c) That government or other like annuities to the extent of $5,000 be exempt from income tax.

4. That corporate rate of tax be imposed on family corporations in respect of the interest therein of non-resident shareholders.

5. That directors, officers or employees of a Canadian company who reside abroad shall be taxable in respect of the dividend and interest income received from the company in which they are employed.

6. That any enactment founded on the foregoing resolution shall be deemed to have come into force at the commencement of the 1929 taxation period and to be applicable thereto and to fiscal periods ending therein and to subsequent periods, except any enactment founded on resolution number one hereof, which shall be deemed to have come into force at the commencement of the 1930 taxation period and to be applicable thereto and to fiscal periods ending therein and to all subsequent periods.

The Minister of Finance—Committee of Ways and Means—the following resolution:

Resolved, That it is expedient to introduce a measure to provide for the payment out of the Consolidated Revenue Fund of forty-nine and one-half cents per ton of bituminous coal mined in Canada and converted into coke in Canada and used in the smelting of iron from ore, or in the production of steel.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, those of us who know something of parliamentary institutions and something of the history of responsible government have been waiting to see the resignations come in from the other side of the house. Those of us who have been entertained in days gone by with the speeches of the Hon. Minister of Railways and Canals hardly expected that he would remain long in a government which offered such a fiscal policy as is contained in the speech we have just listened to. Those of us who heard the minister, now no longer in his place—probably he has resigned—who sounded a few short years ago the death knell of protection, wonder after all if there is anything in the representations which were made in days gone by by the party opposite as to their fiscal beliefs and policies. Where was the resolution of the Saskatchewan legislature?

Mr. DUNNING: Right here.

Mr. BENNETT: Where was the dictionary definition of Liberalism? Where were the free trade protestations of the Prime Minister (Mr. Mackenzie King)? Where was the policy of the Liberal party as stated in 1893 and 1919?

Mr. DUNNING: Right here.

Mr. BENNETT: One is not permitted in parliamentary debate to use the expression hypocrisy, but it is always a matter of satisfaction to see sinners turn from their sins; it is always a matter of satisfaction to see those who have erred converted to the light. It must be a matter of some satisfaction to that group of free traders from the western provinces who sit to the left to see "brick for brick" being super imposed on the tariff wall. The Right Hon. Arthur Meighen was denounced from one end of Canada to the other by the Liberal party when he said that if he were in power he would deal with the agricultural schedule by imposing against foreign countries the same tariff on agricultural products which they imposed against us. It is a revelation to recall the speeches made by certain hon. gentlemen who sit on the other side, and then to listen to the Minister of Finance state that we are going to impose countervailing duties.

[Mr. Dunning.]

This is government, responsible government! This is government of the people, by the people, for the people! This is the government which generation after generation has said that it was marching steadily forward in opposition to certain fiscal principles. The Liberal party has been doing that, and to-day it finds itself pledged to the fiscal policies of the Conservative party. Indeed it was a great conversion.

Mr. VALLANCE: Why does the hon. gentleman not move the adoption of the budget?

Mr. BENNETT: The hon. gentleman who has just asked the question surely will recall that those who accept a situation from expediency and not from conviction, have never in the long run come to much in the government of the country. The Liberal party has at least run true to form. Being ashamed to admit its conversion, it has now, by the use of other words, endeavoured to adopt a policy which in times gone by it opposed. I wonder whether the Minister of Finance realizes that the word "countervailing" is just a poor substitute for the word "retaliation." I wonder, when he says that a tariff policy made in Washington is to become the tariff policy of Canada, whether he realizes that this is nothing more than a retaliatory policy. I wonder whether the Prime Minister in that closing exordium for international good-will, realized that a countervailing duty is a retaliatory duty, except that you permit the other country to make it first. A countervailing duty that is now to prevail in the Dominion of Canada is a policy made in Washington. A party and a government so lacking in courage for the Canadian people that it dare not stand up to-day and name the tariff it will impose against the United States, comes and asks the Canadian people to accept as a countervailing duty a policy made in Washington. Thoughtful observers knew this would be the policy of the government. We knew this government that had preached the politics it had in this country would not have the courage to tell the Canadian people it had been wrong in former times and that it was going to impose a policy for Canada based upon Canadian necessities. But it has now asked the Canadian people, to-day, for the first time in the history of Canada, to accept a policy made by the congress at Washington as a countervailing tariff policy, and it has endeavoured to smother it in words with respect to the British preference. It has been said by a great statesman that "patriotism is the last resort of a coward," and to-day we find this government asking the people to

accept in fiscal matters a policy made in another country and then endeavouring to cover it up with talk about a great British preference.

Mr. THORSON: Is the hon. member in favour of the British preference or not?

Mr. BENNETT: The hon. gentleman has never been noted for his high regard for British views, but I am somewhat surprised at his little regard for Canadians this afternoon. In the absence of the schedules which are not before us and which the minister says will be printed in due course, I will not discuss the details of this budget, because I cannot do so without those details before me. It is so simple to talk about the accumulation of numbers, by increasing one to five by juggling classifications, by changing one item into two and thereby saying that the British preference refers to one item yesterday and to two to-day. How simple it is to do that and yet that is what has been done according to the evidence the hon. gentleman has given us. What has been done, taking it merely according to his own statement, is that the tariff has been reclassified by increasing the number of items so that the British preference applies now to a vast number of items whereas before they were more compact and less numerous. In this way the government has increased the British preference. It has handed over to Washington the power to make our tariff with respect to vital matters by placing upon the statute books of this country for the first time a countervailing tariff.

Mr. DUNNING: My hon. friend will allow me to correct him. We have countervailing provisions now with respect to numerous items.

Mr. BENNETT: I say for the first time with respect to these great matters he is now dealing with. The government has endeavoured to deal with matters of agricultural products by countervailing duties.

Mr. DUNNING: No.

Mr. BENNETT: In 1911, the government of the day led by Sir Wilfrid Laurier, tried to make with the United States a contract that might be terminated at any moment. This was the bargain known as the reciprocity agreement. It had much support in western Canada because people did not realize at that time that the establishment of a channel of trade that might be disturbed by the congress of the United States at any time without reference to this country, made us fiscally their dependents. To-day, in 1930, the government is going back to the days of 1911 and providing that a tariff made in Washington shall automatically be the tariff that applies in Canada. Some of us remember what countervailing duties have done. Some of us recall that when we imposed a duty of fifty cents a ton on United States coal, the effect of the countervailing duty of the congress of the United States was that at the very moment our tariff was placed upon the statute book of this country, the tariff of the United States of fifty cents a ton became operative against Fernie coal, with the result that our industry was injured and some of our mines were closed.

To-day we are reversing the process; we are declaring that this parliament is no longer legislating for the Canadian people, but what they do in the United States, if they reduce or increase the duties with respect to commodities mentioned, is to be the tariff legislation of Canada. Again I say to the house that without having before us the details of the budget—and it is all details—I cannot discuss it. So far as the two great principles I have discussed they are simple. In the one instance you increase by division the number of articles and claim credit for increasing the British preference.

Mr. DUNNING: That is utter nonsense.

Mr. BENNETT: Then the words of the hon. gentleman as Minister of Finance cannot be relied upon, for he has said that he has clarified the situation by taking these items and classifying them so that there will be no difficulty in understanding them, and the number has been increased to the figures he has mentioned. After the items have been increased in number, we are to deal with them in the manner I have indicated. The other provision is to apply the so-called countervailing tariff by which automatically we have a tariff against countries equal to theirs against us. Those are the two great principles of the budget. The attitude that is to be taken must be determined after we have seen the items in print, because at present no one knows what they mean. Perhaps they will be printed in the newspapers. They become operative to-night and while it has been customary in many cases to place these upon Hansard without reading them, in other cases it is of paramount importance that they should be read in order that the country may know and understand exactly what industries and businesses are affected thereby. In the absence of these schedules it is impossible to deal intelligently with the great mass of detail to which the minister has referred. But in a broad and general way I can say that if the

budget taxation proposals made by the minister this afternoon mean what he has indicated in the closing words of his address—

Mr. DUNNING: They do.

Mr. BENNETT: —then we must surrender that legislative sovereignty that we have long possessed over our own affairs. We must bow the neck, as in fact, we have so long done in other matters, to another country greater in population and in wealth, and permit our tariff proposals to emanate in the United States congress instead of in this parliament. For my part, I believe that the Canadian people will be opposed to any such proposals.

If, on the other hand, an effort were being made to protect and safeguard Canadian industry, to protect and safeguard Canadian agriculture, to protect the Canadian truck farmer and gardener and fruit grower, regardless of what any other country might do, then indeed such proposals would merit the support of this house and the country. But in view of the statements that have been made, it is quite apparent that the measure of protection that the farmers of this country and industry generally is to receive is to depend, not upon our conception of their requirements. but upon the conception that other countries may have of the requirements of their own people. Other countries have legislated in these matters with supreme concern and regard for the people of their own country. They have not legislated according to what other countries might do. The day has come when we who sit on this side of the house, as Canadians, rejoice that at last education has done its work, that at last the force of public opinion and the necessity of securing votes at a nearby election, which cannot come too soon, have forced the government, acting upon expediency and not upon conviction, to take action seven years too late—action by an administration that would not provoke by retaliatory measures the great republic to the south, but is willing, with countervailing duties, to meet the situation. The people are the final arbiters, and the question is whether the administration deserves the confidence of the people or should be denied it. For my part, I believe that the Canadian people, between now and the date of the Imperial economic conference, should have an opportunity to decide. These proposals were prepared, apparently, judging by the complex character of the language used, by the chairman of the tariff board, who, from long experience in other vocations is a past master of manipulation.

I shall now, Mr. Speaker, in accordance with the arrangement that we had with the minister, which made possible the delivery of the budget to-day with our unanimous consent, move the adjournment of the debate that we may have the opportunity to study and consider the details of the proposals that have been submitted.

Mr. LAPOINTE: Before he sits down will my hon. friend satisfy my curiosity by telling me whether he favours or opposes the changes proposed?

Mr. BENNETT: The hon. Minister of Justice is now about to complete what was apparently a studied effort on the part of the administration. When the Minister of Finance sat down, he was at once congratulated with a warm clasp of the hand by the Prime Minister, and then there rushed to his side the other ministers to grasp him by the hand and fall upon his neck, although, of course, every word of the budget was known to every one of them before it had been delivered to the house. Now, apparently in order that the performance may be complete, the hon. Minister of Justice, a member of my own profession rises and asks me whether I favour or am opposed to the proposals that have been made. All I can say is this, that when and so soon as I have an opportunity to consider what the changes mean, which no hon. gentleman opposite has yet had an opportunity to do, I shall be able to answer that inquiry. But there is one thing that I can say now, and about which there may be no doubt, and that is that I am in favour of every proposal that will make for the advancement of Canada as an independent economic entity.

Motion agreed to and debate adjourned.

Mr. CHAPLIN: I would like to inquire from the Minister of Finance if in printing in Hansard the schedules that he has read and some that he has not read, he will insert the old item numbers so that we can identify the items.

Mr. DUNNING: As I indicated in the budget address, arrangements have been made for printing opposite to every resolution, as a part of the Hansard record, the number of the old items and the rates.

Mr. CHAPLIN: I understood that the old rates would be given, but I wanted to make sure that the old item numbers would also be given.

Mr. DUNNING: Yes. I should make this qualification, however: that in compiling some 500 items I cannot in every case guarantee meticulous accuracy with respect to every

old item number and rate, but every effort will be made to meet the wishes of hon. gentlemen in that regard.

NATURAL RESOURCES

AGREEMENT WITH ALBERTA

The house resumed from Wednesday, April 30, consideration of the motion of Mr. Stewart (Edmonton) for the second reading of Bill No. 17, respecting the transfer of the natural resources of Alberta.

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, I do not intend to delay the second reading of this measure, which has been expected by the western provinces for a long time, has occupied the time of parliament for many years, and has met with general acceptance of the house; but in justice to the men of the Liberal party who were responsible for the act of 1905 I think it is only fair to answer certain statements that were made the day before yesterday and on Monday last by the hon. member for St. Lawrence-St. George (Mr. Cahan). I had the honour in that debate twenty-five years ago of being the deputy speaker and chairman of the committee of the house that passed the bill. I initialled every clause, I reported the bill to the house, and I passed through one of the most exciting debates that the commons of Canada ever had.

The member for St. Lawrence-St. George mentioned three former members of the Liberal party who had voted for restricting the rights of the minority in the new provinces of Alberta and Saskatchewan. He said that a large number of his constituents were favourable to separate schools, and he deplored the very meagre measure of justice now being meted out to the minority in those two provinces. I wish, for a few moments only, to give my experience of the state of affairs that prevailed here in 1905, of which there are but three living witnesses to-day on our side of the house. There is another witness on the other side—but his name is not mentioned—who supported the measure; I mean the member for South Wellington (Mr. Guthrie). The others have disappeared from public life, and many have gone to their reward.

As a boy I remember the debates in this house on the New Brunswick school question away back in 1872 and 1873. I followed closely the debates on the Manitoba school question in 1896 and took part in that campaign. Fully aware of the sentiments of the Canadian people on school matters, when the incorporation of the western provinces came before this house Sir Wilfrid Laurier knew that the sentiment of the Canadian people as expressed, more especially in 1896, was that educational matters should rest within the purview of the several provinces. It is true that in forming these two new provinces, Alberta and Saskatchewan, we had to deal with the organic law passed in 1875 by the government of Alexander Mackenzie, which established in those territories practically the separate school system that had been established in 1866 in the province of Ontario. But when we came to deal with the question in 1905 the school legislation that had been passed by Alexander Mackenzie in 1875 had been very materially altered by the ordinances of the Northwest Territories in 1891. The separate school system had ceased practically to exist in those territories except in a very small measure indeed.

When the question came before the house Sir Wilfrid Laurier had placed in the bill by his then Minister of Justice, the right hon. Sir Charles Fitzpatrick, the organic clause of 1875 concerning separate schools. This school legislation has prevailed in Ontario, and it has prevailed in Quebec. I must say to the glory of the province of Quebec that we have never had any trouble in that province, and we thought that it was only right that the same system should continue in the Northwest Territories. But in view of the decision rendered in 1896 by the Canadian people that education should remain in the purview of each province, there broke out in the opposition in this house and in their press throughout the country one of the most violent storms that I have ever witnessed in the political life of Canada. Naturally His Holiness the Pope was drawn into the controversy, as was also his representative in Canada at that time, Monsignor Sbarretti, and we were told that Canada was threatened with the direst calamities if this original school legislation, introduced by Alexander Mackenzie and Edward Blake, and adopted by the Canadian people at the time, was perpetuated. The Conservative party were a unit in leaving the school matters in these two provinces to be dealt with by the provinces themselves and the Right Hon. Sir Robert Borden declared on the floor of the house that if he was called on to form a government he would leave matters to be dealt with by the provinces. The Liberal party therefore at that time was in this position: were the rights of the minority, recognized by legislation, to be ignored, to be sacrificed entirely, as had been done in the province of Manitoba after the passing of the Manitoba Act; were we to omit all provisions regarding education and leave the matter entirely to the provinces?

The members in this house who supported separate schools and who recognized that minorities had some rights, no matter in what province and no matter what language they spoke, were in favour of preserving the rights of the minorities in these provinces. I must say to the glory of the Liberals of those days, the Liberals of Saskatchewan and Alberta—not one of whom, I am sorry to say, remains in this house at the present time—that it was due to their patriotic action on that occasion that we were able to save the principle of the rights of the minority in school matters. Sir Wilfrid Laurier was forced by the opposition and by the Conservative press and by a section in his own ranks—by the resignation of Sir Clifford Sifton among others—to withdraw the original clause 16, as it was then called, and substitute another clause, which recognized the principle that the schools came under the laws of the provinces to be formed. The Liberal party at that time from western Canada, the Liberals of Alberta, of Saskatchewan and of Manitoba, came valiantly forward and told us: We are prepared to stand with you and see that the status quo is maintained in the western provinces. That status quo had been modified by the northwest council in 1891. It was not done by Liberals. The lieutenant-governor at that time, a prominent Conservative, signed the ordinances changing the school laws in those territories and even abolishing the French language in certain cases.

We were therefore placed in this position: were the rights of the minority in these two provinces to be ignored completely, was legislation to be passed placing the schools in the hands of a party who declared they would make no provision for such laws; or were we to save the principle, hoping that in time broader views would prevail, that a more patriotic spirit would animate all Canadians, and that another generation would come to realize that after all Canada is a union of two great races, and that it can stand only by preserving unity among its people? We had to decide whether we would recognize the principle or abandon it completely. I must reiterate that it is due to the broad-mindedness of the Liberals of those days, the Liberals of Ontario, and particularly the Liberals of Alberta and Saskatchewan, who were most directly concerned, that this principle of separate schools was recognized and that the second clause 16 was inserted in the two bills constituting the acts of 1905. Naturally the French Conservatives in this house were opposed to this change; the then members for Labelle and Montmagny were the only dissenting Liberals who joined with the French-Conservatives to oppose this new clause; and of course it was opposed as well by the opposition. The matter was laid before the highest ecclesiastical authority in western Canada at that time, the distinguished Bishop of Edmonton, Monsignor Legal. That gentleman was asked what he thought of the measure as introduced the second time to this house and as modified by Sir Wilfrid Laurier at the request of a majority of the house. Hon. members will remember, as I remember, that when that message came from Edmonton, Monsignor Legal declared that this measure should be accepted. With that end in view the whole Liberal party, with the exception of the member for Labelle, the member for Montmagny, and a few French Conservatives, voted for the new law of 1905. We did so in the belief that we were doing what we could for the minority.

Conditions have changed in the west. A new population who know nothing of the old days of the union of Canada has grown up. They know nothing of the hardships which the pioneers of Ontario, Quebec and the maritime provinces endured to make Canada what it is. I hope with the present standard of education and the communication facilities we have to-day a broader feeling will prevail and that the unfortunate scenes which were enacted in this house in 1872, 1896 and 1905, of which I am sorry to say few witnesses remain, will never be repeated. I congratulate the Prime Minister (Mr. Mackenzie King), the Minister of the Interior (Mr. Stewart, Edmonton), the Minister of Justice (Mr. Lapointe) and the Solicitor General (Mr. Cannon) on the lucid, clear and fairminded way this measure has been brought to the attention of the house. The measure has been accepted by the opposition and I am sure it will complete and improve the work of confederation until another and better day when Canadians will unite in furthering a better understanding among all classes of the community.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

Section 1 agreed to.

On section 2—Agreement confirmed.

Mr. STEWART (Edmonton): As outlined in my introductory remarks, I have an amendment to move to section 2. The amended section will now read:

The agreement set out in the schedule hereto is hereby approved subject to the proviso that in addition to the rights accruing hereunder to the province of Alberta the said province shall

be entitled to such further rights, if any, with respect to the subject matter of the said agreement as are required to be vested in the said province in order that it may enjoy the rights equal to those which may be conferred upon or reserved to the province of Saskatchewan under any agreement upon a like subject matter hereafter approved and confirmed in the same manner as the said agreement.

Mr. BOURASSA: Explain.

Mr. CANNON: In order to understand the meaning of the amendment I would like hon. gentlemen to refer to section 22 of the Alberta agreement. When that agreement was arrived at it was agreed that a royal commission be appointed to—

—inquire and report whether any, and, if any, what consideration, in addition to the sums provided in paragraph 20 hereof should be paid to the province in order that the province may be placed in a position of equality with the other provinces of confederation with respect to the administration and control of its natural resources as from its entrance into confederation in 1905, such commissioners to be empowered to decide what financial or other considerations are relevant to the inquiry, and the report to be submitted to the parliament of Canada and to the legislature of Alberta; and if by the said report, the payment of any additional consideration is recommended, then, upon agreement between the governments of Canada and of the province following the submission of such report, the said governments will respectively introduce the legislation necessary to give effect to such agreement.

When the province of Saskatchewan adopted the agreement with the Dominion of Canada they not only asked for a royal commission to investigate the feature mentioned in section 22 of the Alberta agreement but they went further. Not only did they want a royal commission to investigate whether any additional sums were to be paid in connection with anything which might have been done since 1905, but they wanted this commission to go much farther back and investigate our relations with Saskatchewan from the time that the territory was handed over in 1870. As a result we decided with the people of Saskatchewan that certain questions would have to be referred to the courts. These questions have been submitted by counsel for the province of Saskatchewan; they have been accepted by the Dominion and will be embodied in an order in council for reference to the courts. To sum up the nature or the effect of these questions in regard to further compensation, if the court should decide that the province of Saskatchewan could claim further compensation not only since 1905 but since 1870, the royal commission would investigate these matters. The amendment which is now proposed is designed to give the Alberta royal commission, should the court decide that the Saskatchewan royal commission should investigate from 1870, the same power of investigation, to ensure that the province of Alberta shall be treated in the same way.

Mr. BOURASSA: But I understood there was something more than that; according to the statement of the Minister of the Interior or the Minister of Justice the other day, the purpose of this amendment is to put the government of Alberta in exactly the same position as the government of Saskatchewan.

Mr. CANNON: My hon. friend reminds me that I might add that should the reference which will take place as between the province of Saskatchewan and the Dominion result in the decision with regard to lands, for instance, that the rights of the province of Saskatchewan were much wider and more extended than those which up to now have been recognized and upon which this agreement was based, then we would also treat the province of Alberta in the same way.

Mr. GARDINER: I have a copy of the amendment before me, and I only wish to ask whether this is in similar terms to the amendment adopted by the legislative assembly of Alberta?

Mr. STEWART (Edmonton): Yes, I believe it is identical; we have not been informed of any change, so I assume it passed in this form. I have the telegram from which this amendment was drafted and we have not been informed that any change was made when it was submitted to the provincial legislature.

Mr. BOURASSA: So we find ourselves in an extraordinary position. A few days ago the Minister of Justice, after the argument made by the hon. member for St. Lawrence-St. George, admitted that it would have been preferable to add one further word to section 7 in order to make it quite clear that all four sections of the Dominion Lands Act relating to school lands and school funds would be applicable. When we reach that section I may have something further to say. The only reference I desire to make at the moment is this: The Minister of Justice admitted that it would be better to insert the word "inclusive" in that section in order to make it quite clear that section 40 of the Dominion Lands Act would apply as well as sections 37, 38 and 39, but he said this would reopen the whole matter and that therefore nothing should be changed. Now we are told that probably the legislature of Alberta has adopted an amendment to its own agreement in order to bring it in conformity with the agreement concluded

between this government and the province of Saskatchewan. The government is not even officially informed as to whether the change we are asked to make now has been adopted verbatim by the Alberta legislature.

Mr. STEWART (Edmonton): Oh, yes.

Mr. BOURASSA: I understood the Minister of the Interior to say a moment ago that he had not been informed that any change had been made; but has he the official text of the legislation adopted by the legislature of Alberta, proving that what we are asked to pass now has been adopted in the same words by that legislature?

Mr. STEWART (Edmonton): For the information of my hon. friend I may say that telegrams were exchanged on the matter. Perhaps first, in order to clarify the situation, I should say that there never was any objection to a submission to the courts of any claims the provinces might have. When Premier Brownlee and the representatives of the government of Alberta were here, that matter was discussed at some length, and at that time they did not feel that they were interested. However, after Saskatchewan desired to have the reference extended, I know some criticism was directed against the government because they have not also secured that extension, and telegrams were exchanged between Premier Brownlee and this government. So far as I know, the telegram which was sent granting that extension was accepted by the Alberta government and embodied in their agreement. That is our information. Had there been any change in the suggested amendment surely they would have notified us. It is only a few days since they passed the amendment and it may be that I have a complete text of the bill in my office; I am not sure. However, I believe I can assure my hon. friend that no change whatever was made and that the amendments are identical.

Mr. BOURASSA: Then let us take that for granted; that is one point. It seems to me that the correspondence exchanged between the federal government and the two provincial governments, or at least this correspondence with the Alberta government, should have been published and distributed to the house just as was done with the other correspondence, which was supposed to enlighten us in the matter. I have here a small blue book which does not include the letter sent by the Prime Minister of Canada on December 29, 1928, reopening the negotiations. Reference is made to that letter in the first letter from Mr. Brownlee which appears in that correspondence, and surely for the information of the house the letter of the Prime Minister to which the Premier of Alberta refers should have been included.

Mr. MACKENZIE KING: I think I can explain the omission. Last year all the correspondence was tabled up to a certain point, and this year a return was made of the correspondence which had taken place since the last tabling, and that is what was printed. Unfortunately the printing was followed literally; perhaps I should have personally gone over the correspondence in its printed form.

Mr. BOURASSA: Then what has followed since this correspondence ceased on January 4? If I remember correctly the agreement with Saskatchewan was signed on March 20, so that correspondence must have been exchanged between the federal government and the Alberta government between January 4 and March 20 which caused this government to decide to submit an amendment to the agreement with Alberta. As far as I understand the case, Mr. Brownlee and his colleagues were perfectly satisfied to abide by the agreement they signed in December last.

Mr. MACKENZIE KING: Yes.

Mr. BOURASSA: That is clear; very well. What we propose now, then, is not to give satisfaction to the Alberta government, because the Alberta government never asked for it; we propose to add something to the Alberta agreement for which the government of that province did not ask.

Mr. MACKENZIE KING: My hon. friend perhaps misunderstood my affirmative response. When the agreement with Alberta was made, the Alberta government was perfectly satisfied and did not wish any additional feature. Subsequently, when the agreement between Saskatchewan and the Dominion was published, containing an additional clause to which Saskatchewan attached some importance but to the substance of which Alberta theretofore had not attached any importance, the government of Alberta felt that it might be placing itself in a false position and leaving itself open to criticism from certain quarters if it did not have included in its agreement the clause which had been added to the agreement between Saskatchewan and the Dominion government, and the government of Alberta accordingly asked that if possible this be done. It was promised to be done in the manner which is now being proposed.

Mr. BOURASSA: That is not a contradiction of what I was saying. I claimed that the Alberta government concluded an agreement with the federal government whereby both governments were perfectly satisfied with the terms, and later on the Saskatchewan government succeeded in wresting from this government—

Mr. MACKENZIE KING: Not wresting.

Mr. BOURASSA: Perhaps that is not the correct verb. This government in its desire to be very pleasant—

Mr. MACKENZIE KING: To leave no grievance.

Mr. BOURASSA:— to the Saskatchewan government, added to that agreement something which was not and which up to the present time has not been in the Alberta agreement. In other words, in order to make the two agreements complete we are asked now to implement the Alberta agreement by adding to it something which has been asked for by the government of Saskatchewan and which has been granted freely by this government. This forces us to an effort to understand the object of the Saskatchewan government, and to understand the additional clauses which have been added to its agreement, since that is to become the basis of the additional condition to be attached to the Alberta agreement. The amendment, which is very broad, reads as follows:

> Subject to the proviso that in addition to the rights accruing hereunder to the province of Alberta the said province shall be entitled to such further rights, if any, with respect to the subject matter of the said agreement as are required to be vested in the said province in order that it may enjoy rights equal to those which may be conferred upon or reserved to the province of Saskatchewan under any agreement upon a like subject matter hereafter approved and confirmed in the same manner as the said agreement.

The first addition to the Saskatchewan agreement is that part of the preamble which is contained on page 2 and which recites the contention of Saskatchewan that its rights over the natural resources generally should not be dated from the creation of the province in 1905, but from the acquisition by Canada of the rights theretofore vested in the British government after the abandonment of its privileges by the Hudson's Bay Company. The Dominion government lends itself to the request of the Saskatchewan government to submit the cause first to the supreme court and eventually to the privy council. That provision is contained in clause 23 of the Saskatchewan agreement, and then in clause 24 there is the proviso which was analysed by the Solicitor General (Mr. Cannon). But the Solicitor General did not refer to clause 27, which reads:

> This agreement is signed on behalf of the province with the reservation on its part that neither the execution thereof nor any statute confirming the same shall affect or prejudice any right the province may now have to call into question the legislative competence of the parliament of Canada to enact certain sections of the Saskatchewan Act and the Dominion Lands Act.

The contention put forth by the hon. member for St. Lawrence-St. George (Mr. Cahan), risky as it may be in other respects, is good, I think, in this particular. Once this agreement is ratified, with the amendment now proposed to the Alberta agreement, it will mean that any disposition contained in the Saskatchewan and Alberta acts of 1905 may be challenged by their governments, and that any enactment by this parliament as contained in those acts may be equally challenged in spite of the confirmation by the imperial government. In other words, on the one hand the imperial government says: We confirm this. On the other hand, as was mentioned by the hon. leader of the opposition (Mr. Bennett), the British North America Act of 1871 says, and we agreed to it, that we cannot further amend a constitutional act once it has been agreed to by both a provincial and the Dominion government. It will be now open at any time, in any year of any century, for these provinces to challenge the constitutionality of any section of the Alberta and Saskatchewan acts. I think it would be very unwise for the parliament of Canada practically to invite litigation for all time to come upon the constitutionality of its own laws. Whether these matters relate to lands, to schools or to waterpowers, it is an invitation to litigation.

I think the objection has been met with the retort that this right is an inherent one, that any disposition of law may be challenged at any time by government, corporation or individual. That is quite true, but if that right is illimitable both as to scope and as to time in which it can be exercised, what is the use of including it in this agreement? Are we going to recite in this statute the ten commandments? Are we going to repeat a number of platitudes in order to please this government or that government? Surely the Saskatchewan government have an object in mind. Surely they do not do this for the mere pleasure of having it recognized by the parliament of Canada that they hold the inherent right possessed by any government, corporation or individual to provoke a decision of a tribunal.

Mr. CANNON: Assume for a moment that section 27 was not in the agreement. The Saskatchewan government immediately would be met by the objection that it could not plead to the constitutionality or validity of an act because it had agreed to an agreement which had been ratified and confirmed by the imperial parliament. It would be debarred from urging any ground of unconstitutionality, which is the very essence of their reference.

Mr. LAPOINTE: Section 27 is necessary if they are to have a reference.

Mr. CANNON: There could be no reference otherwise.

Mr. BOURASSA: That is exactly the point I desire to make. It can be inferred from a statement made the other day, I think by the Minister of Justice (Mr. Lapointe), that this addition to the Saskatchewan agreement which is being extended to Alberta meant nothing. I have been told time and time again by persons close to the government—

Mr. CANNON: It does not add to their rights.

Mr. BOURASSA: It was a mild satisfaction given to the Saskatchewan government, but as a matter of fact, even if it had not been inserted, the Saskatchewan government could always challenge the constitutionality of the act of 1905. Now the Solicitor General tells us that if it were not for clause 27 the Saskatchewan government, and if this amendment did not pass, the Alberta government, would be deprived of certain things they derive from this. Then the first argument, that this adds nothing to their rights, falls down. It is either one thing or the other; either it gives something additional or it does not. If it gives something additional, then the government has given way to pressure on the part of the Saskatchewan government and has thus enabled the Alberta government to ask for something which it did not ask for, which it did not care to ask for. Therefore we are asked by an amendment made to a contract entered into in December last to add something new.

Mr. CANNON: I know my hon. friend wants to be very fair.

Mr. BOURASSA: Yes, and more than that, I want to elicit light and information.

Mr. CANNON: What I meant by my previous remarks as to the effect of clause 27 is this: clause 27 has absolutely no bearing upon the rights of any citizen of Saskatchewan to contest the constitutionality or the validity of the act of 1905. Whether the clause is inserted or not, it does not affect those rights at all. Clause 27 is only in connection with that part of the agreement which has reference to these questions which are to be submitted to the courts and unless clause 27 were in the agreement, we could not say on the one hand to Saskatchewan: You cannot go before the courts and discuss whether you have the right to take so-and-so before a royal commission, unless you reserve in the agreement that you can contest before the courts during that reference the validity of the acts of 1905 or the Dominion Lands Act. The clause is only in connection with the royal commission which will sit later and the reference which will be taken.

Mr. BOURASSA: Then if clause 27 has no other object than to cover the questions that are to be placed before the supreme court, why not have in the agreement those questions that are so to be placed? Why not have made it a concrete and well defined issue? Why not have agreed with the province of Saskatchewan, and later on with the province of Alberta, to submit to the supreme court point A, point B, point C, and then say in clause 27 that this agreement, even if ratified by the imperial parliament, would not abridge the right of the province of Saskatchewan to have those questions submitted and adjudicated upon?

We are asked to ratify a broad, blanket clause with, I repeat, no limitation as to subject, no limitation as to time. Under clause 27 it is not only the reference mentioned in the previous clause, clause 23; it is any reference, any challenge upon the validity of any section of the Saskatchewan act. I repeat: it is an invitation to any government or to any individual to open litigation at any time. It is an avowal on the part of parliament that it is not prepared, as has been said very eloquently and solemnly during the debate, to close in a broad and generous spirit the issue that has been discussed for the last twenty-five years between Canada and those provinces; but on the contrary, we invite them not to close it. We invite them and anybody to challenge the validity of those constitutional acts. Of course I am not a lawyer, but I remember what my old friend Sir Charles Fitzpatrick, when he was Minister of Justice, told me more than once. Very often when he had a complicated piece of legislation before him, he said: "Bourassa, you are absolutely ignorant of law; will you read this and try to interpret it with common sense. This will help me out." I have formed the habit during the last forty years of reading statutes with what I can command of common sense, with what little knowledge I have of parlia-

mentary tradition and also with my little study of the glorious incertitudes of the law and the variations of jurisprudence. It may be that I am a little too incredulous; but even when lawyers and parliamentarians of high standing give me their assurance, at times I take it with a grain of salt, and I cannot get into my head what is the object—I do not mean the immediate object in the mind of the minister or the immediate object in the mind of Mr. Anderson; I am not looking for any sinister motive, as the leader of the opposition said the other day,—but the legal object, the legal interpretation that can be put upon clause 27. I read it again:

> This agreement is signed on behalf of the province with the reservation on its part that neither the execution thereof nor any statute—

In other words, the imperial statute that will confirm this agreement will at the same time confirm this reservation.

> —confirming the same shall affect or prejudice any right the province may now have to call into question the legislative competence of the parliament of Canada to enact certain sections of the Saskatchewan Act and the Dominion Lands Act.

Even after they have agreed under this to take certain sections of the Dominion Lands Act to be the basis of right, at least so far as school lands and school funds are concerned. Under this the Saskatchewan government or anybody in Saskatchewan may challenge the constitutionality of the four sections which we were told the other day were the permanent basis of the school fund and school endowment. Under this the government or anybody in those two provinces may challenge the constitutionality of any school law, especially of any school law that may be qualified as being governed by section 17 of the Saskatchewan and Alberta Acts. Why not have left the matter as it stood in common law and practice for all? Why not have left the matter as it stood in the Alberta agreement, thereby not abridging the right of either of those two provincial governments or of any citizen in those two provinces to take the ordinary course of law if it was felt anything was wrong?

For example, let us take the school clause. A decision was rendered by the supreme court some years ago as to the constitutionality of clause 17 of the Alberta and Saskatchewan Acts. As regards that opinion, rather, because it was really not a decision, expressed by the supreme court on the reference by this government, a reference which was not taken up and pleaded in counterpart by the government of Alberta, that same question can be brought before all the tribunals in the land and reach the privy council at any time any citizen of those provinces may find means, as was done in the Manitoba school case, for example, the Barrett case, to have a private case created so as to bring about an adjudication on the part of the highest court of the land and the empire upon the constitutional value of that enactment. I think even the shining legal lights of the house will admit that in this I am expressing sound views. Therefore, the rights of the provinces were not abridged. I repeat: if they had their rights, why put useless words into the agreement, and, so to speak, invite litigation in the future? Why say, because from a certain point of view this is what it means, that parliament in this year, 1930, does not take the firm attitude that it believes in what it did twenty-five years ago?

Reference was made at a previous stage to the few members who remain in the house who were here in 1905 after the government had abandoned its previous position with regard to minority rights. After we had put up that fight in favour of the policy prepared by the government themselves, in order to enable the government, if possible, to stand by their own policy, we stood loyally by the decision of parliament. When three or four years ago I made allusion to the word of honour given by this parliament with regard to minority rights, I never meant that this parliament should go beyond 1905 and give rebirth to rights that had then been sacrificed, and I think uselessly sacrificed, by this parliament. But here we are doing more than that. We are practically inviting a contestation of what we did in 1905, and we are doing it at the request of a government which under its own provincial laws at the present time is doing everything it can to apply the law of 1905 in exactly the manner in which twenty-five years ago I predicted it would operate, and which all the legal lights from Sir Charles Fitzpatrick down, as well as Sir Wilfrid Laurier, said was absurd, that it would never operate in that way at all.

The hon. member for Bonaventure, with the best intentions, invited the testimony of Bishop Legal of Edmonton, and said that the bishop was given to understand that the law as passed in 1905, preserved all the Catholic public schools then in existence. But the legal basis of those schools was absolutely suppressed by the ordinances of 1892, 1896 and 1901, the first of which Sir John Thompson characterized as ultra vires. What we did in 1905 was to legalize the ordinances that had been declared ultra vires by the Minister

of Justice of Canada, and to deceive the minority there by telling them that we were preserving what they had, whereas actually we were breaking the law; and what Premier Anderson is doing to-day is precisely to put into operation the law passed by this parliament in 1905. It is just as well to admit the facts as they are. Premier Anderson is, in a narrow minded and wrongful way—I think that like Premier Ferguson he will later see that he is wrong, and like Premier Ferguson I hope that he will be able to take a broader view of his own policy before very long—putting into operation, in a narrow-minded way, I repeat, the law that we passed here, and which has been described this afternoon as having been passed with the approval of the Bishop of Edmonton. If the Bishop of Edmonton were living to-day, I am sure that he would not say that what is now happening in Saskatchewan is what had been promised to him by the representatives of the government of Canada in 1905. I can assure the house that I know more about that feature of the situation than anybody here, including the hon. member for Bonaventure. I mention that simply to show that it is well to calculate the consequences of things done.

May I say, in passing, that I am happy to congratulate Mr. Brownlee upon the broad and statesmanlike spirit that he has shown in negotiating this agreement with this government after the crisis of 1926. I admit that in 1926 he let himself be carried away by a similar current to what is now flowing in Saskatchewan; but he had the patience and the courage to react against it. When the Prime Minister of Canada wrote to the Premier of Saskatchewan that this government was prepared to grant to the government of Saskatchewan terms exactly similar to those granted to Alberta, I think that that was the right thing to do. Why did not the government abide by their word? I observe that in the letter written by the Prime Minister of Canada to Premier Anderson on December 31, 1929, the Prime Minister compares the position of Saskatchewan with that of Alberta and says:

> Our government stands ready immediately to make a similar agreement with the province of Saskatchewan.

That is, along the same lines as that recently made with the province of Alberta. Then, replying to Premier Anderson's suggestion that certain questions should be placed before the courts for adjudication, the Prime Minister adds:

> Our government is quite ready to cooperate in obtaining a decision upon them by referring appropriate questions to the Supreme Court of Canada, whose decision would, according to the usual practice, be subject to appeal to the judicial committee of the privy council. In case such a reference were made, the matter of an agreement with the province would, of course, have to stand in abeyance pending the final disposition of the questions submitted.

That was the appropriate attitude to take. The Prime Minister of Canada, quite properly, expressed his willingness to meet the wishes of the government of Saskatchewan. Then, he said: You have a certain contention to put before the courts. Very well, we will put it before the courts, but before concluding the agreement and asking parliament to ratify it, we will have the legal questions settled first. Why did he abandon that prudent and statesmanlike attitude? In the interests of both the people of the west and the people of Canada at large, the less margin we leave to litigation and to political agitation in agreements of this kind, the better it is for all concerned; and surely it was not without some maturity of thought that the Prime Minister of Canada wrote under date of December 31, 1929, that the agreement would have to remain in abeyance until the legal questions were settled. That was a very proper position to take. It was similar to the position taken by Premier Brownlee himself in 1926 when he refused to accept the amendment proposed in this house until the supreme court had passed judgment upon it. It seems to me that this government should have stuck to that point, and if it had, the Alberta agreement would have gone through as it was signed. There would have been no dispute as between the government of Canada and the government of Alberta, and it would have strengthened the hands of this government later on in dealing with Saskatchewan; for I have confidence enough in the good people of Saskatchewan to believe that the wave of prejudice which is now passing through that province will subside; and then this agreement could have been concluded in a more serene atmosphere,—the legal questions having been settled—rather than putting it down in black and white that we, the people of Canada, enter into a solemn agreement with two of the great provinces of the west, but state in the agreement that some of its basic points are open to litigation and that we invite litigation upon them, and are in every way prepared to cooperate with our co-contractor in order to carry that litigation to the privy council. I think that that was a very weak position to take, and as far as I am concerned, I regret very much that it was taken.

I think the least that should be done before this bill comes up for third reading would be to have brought before the house, and let it be known to the country, what are the questions to be submitted to the supreme court, and eventually to the Judicial Committee of the Privy Council. Here we are, the solemn and highest court of the land, a parliament equal in status to the mother of parliaments in England; and we are asked to ratify an agreement under which we invite litigation with two provincial governments, and with respect to which it is admitted now that the questions to be submitted have been framed. Those questions are known by this government and by the governments of Saskatchewan and Alberta, but by nobody else in Canada, including the people of Saskatchewan and Alberta. I appeal to my friends on the other side representing those two provinces,—are they prepared any more than I am to vote blindly for having a reference made to the supreme court without knowing what questions their own governments have decided to submit? I do not suppose it is the intention of Mr. Anderson or Mr. Brownlee to set up a Fascist government in those provinces. I understand the spirit of democracy is strong and wide open in the western provinces. And for my part, though I am not much of a believer in democracy, I do not believe in secret government; and especially I do not believe in being asked to approve of submitting to the supreme court and to the Judicial Committee of the Privy Council questions on important constitutional issues, the scope and object of which I do not know, when at the same time I am informed that those questions are already framed but are kept in the secret closets of Ottawa, Regina and Edmonton. Therefore for the good of all I make a very urgent request to the government to bring down to the house before we reach the third reading of these bills the questions that are to be submitted to the courts, so that we will be in a position to know what we are legislating upon.

Mr. MACKENZIE KING: I might answer my hon. friend as to the reasons why the government did decide not to await the answers by the courts before transferring the resources? It was perfectly apparent to the government that the agreements with Manitoba and Alberta would pass, which would mean that so far as the Department of the Interior was concerned that department would more or less pass out of existence.

Mr. BENNETT: Functus officio.

Mr. MACKENZIE KING: Yes, it would practically pass out of existence, two thirds of it at any rate, and we would be keeping on a department of the government simply for the purpose of awaiting the answer by the courts. That was one reason. Another reason was this: The whole purpose the government has had in view in these matters has been to rid the provinces of any possible sources of grievance. I do not believe we could have afforded the government of Saskatchewan more in the way of an apparent grievance than to have told its members that we would not let the province have its resources, that we would hold on to them, like a dog in the manger, until replies had been made by the courts in a matter which we had no doubt in the world would be decided along lines which I believe my hon. friend will agree are the only possible lines.

Mr. BOURASSA: That was an afterthought; it came to the Prime Minister after he wrote the contrary on the 31st of December.

Mr. MACKENZIE KING: Yes, it was an afterthought, or a decision after further thought.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

On the schedule—paragraphs 1 to 5.

Mr. GARDINER: I wish to ask the minister the intention in regard to part of paragraph 2 of the agreement.

—and further agrees not to affect or alter any term of any such contract to purchase, lease or other arrangement by legislation or otherwise, except either with the consent of all the parties thereto other than Canada or in so far as any legislation may apply generally to all similar agreements relating to lands, mines or minerals in the province or to interests therein, irrespective of who may be the parties thereto.

I would like to have an explanation.

Mr. STEWART (Edmonton): It means that all contracts will be carried out in their entirety. The province agrees to carry out all existing contracts and all the provisions of the contracts except as for example in the case of a mining lease. The hon. member will recall the question raised the other day by the leader of the opposition (Mr. Bennett). In the case of a mining lease the royalty might be increased generally over the whole province.

As far as grazing leases are concerned, they are in another category. They are for a definite number of years at a fixed rental, and this clause does not apply. This paragraph means that unless the lessee and the government agree by mutual agreement to change the contract or there is a general provision increasing or decreasing the royalty they must agree to carry out all the provisions of the contract.

Mr. CAMPBELL: Would the minister tell us if there are any contracts for the granting of lands to the Canadian Pacific Railway Company for railway purposes, and if so whether that would be covered by this clause?

Mr. STEWART (Edmonton): The Prime Minister undertakes to carry out any obligation that is assumed by the federal government in connection with these resources at the time they are turned over; the provisions of the contract will be carried out with the exception of cases where general legislation would prevail.

Mr. EVANS: I would like to ask a question regarding the last paragraph of the preamble. I did not realize that it had been dealt with. The section to which I refer states that section 21 of the Saskatchewan act shall be modified. Does that mean that that section of the act will be repealed?

Mr. STEWART (Edmonton): We are dealing with Alberta now. Which section does my hon. friend refer to?

Mr. EVANS: The last clause in the preamble of the agreement contained at page 2. It says that whereas it has been agreed between Canada and the province that section 21—

Mr. STEVENS: You are looking at the wrong bill.

Mr. STEWART (Edmonton): I cannot give my hon. friend a concrete example of any way in which the agreement might interfere with the existing Alberta act.

Mr. MACKENZIE KING: The concrete example is the text of the agreement.

Mr. STEWART (Edmonton): I do not know that the agreement does in any sense interfere with the act of 1905. Under the act of 1905 the natural resources remained in the control of the federal government; under this agreement they are to be transferred to the province and the act is changed to that extent.

Mr. GARDINER: Coming back to the question we discussed a moment ago, would the minister explain what position an oil lease would be in when these natural resources are transferred to the province? Would it be possible for the provincial legislature to amend the contracts in so far as oil leases are concerned, or are they only temporary or for a specified time?

Mr. STEWART (Edmonton): Mining leases and oil leases are in the same category; they are subject to fluctuations in royalties. Otherwise all the provisions of the contract would have to be carried out. That is, the terms of the contract, whatever the agreement was, will have to be carried out. If the province made a general regulation increasing the royalties on oil, it would apply to these leases but they have no more authority than we possess at the moment because we do not guarantee to keep the royalties at a fixed amount under the terms of the lease. The only exception to that is that grazing leases are for a specified term of years and on a rental basis.

Mr. GARDINER: So that practically all leases would come under the jurisdiction of the legislature except certain specified leases, which would be very few?

Mr. STEWART (Edmonton): Quite right.

Mr. GEARY: I wonder if the Solicitor General would give me some information. This agreement with Alberta, and the other agreements relating to natural resources, treats the natural resources as lands, mines, minerals and royalties derived therefrom. Why is it restricted in that way? If I remember rightly the language of section 109 of the British North America Act is "lands, mines, minerals and royalties," not royalties incidental to lands and mines but all royalties, which include a great many rights of the crown such as escheat and bona vacantia. These are held by the crown in the right of the Dominion, and if the province is getting all its natural resources as described in section 109 of the British North America Act it should get these royalties as well.

Mr. CANNON: There is a difference in language between section 109 of the British North America Act and the provision in the agreement, but I suppose the reason for the difference in the phraseology would be that section 109 simply said that all public lands remained within the control of the provinces, and there was no reason to add anything in connection with royalties. However, in the west the Dominion government has been drawing royalties, so that is probably the reason why this phraseology has been adopted. As a matter of fact there is another clause in the agreement, the number of which I have

forgotten for the moment, which provides that moneys which are derived from these sources and paid to the Dominion during the period when the agreement is not in force are kept by the Dominion, and if the royalties are paid afterwards, even if there are arrears, they are paid to the province.

Mr. GEARY: Perhaps I have not made myself clear. At page 2 of the bill you find section 1 of the agreement, which reads:

In order that the province may be in the same position as the original provinces of confederation are in virtue of section one hundred and nine of the British North America Act. . .

That is what you are designing—that is, to put this province of Alberta under the provisions of section 109 of the British North America Act. My point is that section 109 is in these words:

. . . lands, mines, minerals and royalties . . .

Royalties in that section are not solely royalties incidental to lands, mines and minerals but include also all other sorts of royalties, for instance, escheat, which became of some importance once at least in the province of Ontario. This agreement does not transfer those rights to the province of Alberta as part of natural resources. Is it intended that they should get these resources as well? If so, they are not covered and you are leaving out something which by section 109 of the British North America Act is reserved to the other provinces. For instance, to my knowledge there have been two cases of some importance in British Columbia, wherein the province was able to attach to itself certain moneys. I think one case was connected with precious minerals and the other was a case of bona vacantia. There was no owner for certain things, and the crown took them. In the province of Ontario there was the Mercer case, where the property of the family reverted to the crown in the right of the province. Now, if you are following section 109 and intending to give to Alberta what that section reserves to the other provinces, I do not believe you are doing it under this provision.

Mr. BENNETT: The converse of that is equally true. The privy council decided recently under an escheat case that it went to the crown in right of the Dominion and not in right of the province, because of the peculiar conditions under which we hold title to our lands.

Mr. CANNON: As I stated yesterday, naturally there will be many of these incidental questions which will arise, and these questions will have to be settled between the Dominion and the provincial governments. I had quite a lot to do in the conferences which resulted in these agreements, and I believe that many unforeseen difficulties were suggested. My hon. friend now raises a point, and I have no doubt that these agreements will have to be supplemented later by further agreements or departmental arrangements.

Mr. EVANS: Does the Solicitor General think these words simply mean the royalties from the mines and minerals only or do they imply all royalties within the province, derived from every source within the province?

Mr. CANNON: The word "royalty" does not seem to be restricted. My hon. friend asks whether the word "royalty" applies only to mines and minerals or whether it applies to royalties from any source whatever.

Mr. STEVENS: It is restricted by the words "lands, mines, minerals and royalties derived therefrom."

Mr. CANNON: Yes, it would be royalties derived from lands, mines or minerals, precious and base, in the province.

Mr. EVANS: But there may be other royalties arising in the province in addition to those from lands, mines and minerals.

Mr. STEWART (Edmonton): May I point out to my hon. friend that the province already controls, under the autonomy act, practically everything but these natural resources which are specified, and I confess I do not get the point raised by my hon. friend. In the first place this agreement sets out that the interest of the crown in the lands, whatever it may be, of whatever sort or character, is transferred to the province. That includes the interest in the mines and minerals, and it would appear to me that the word "land" covers nearly everything that could come up.

Mr. GEARY: It does not; that is the point.

Mr. STEWART (Edmonton): Surely a question of escheat involves land or property.

Mr. GEARY: No, that is not always the case.

Mr. STEWART (Edmonton): Of course I am not competent to argue that point, but there is an understanding between the federal and provincial governments that the province of Alberta is to be put in the same position as the other provinces of Canada with respect to its natural resources.

Mr. GEARY: Perhaps the minister would just look at it in this way: "royalties" is a broad word; it may mean the royalty from a mine or it may mean what my lawyer friends on the other side will call jura regalia, which are those ancient rights belonging to the crown, such as escheat. Surely that is a more comprehensive word than royalties derived from land. You are giving the province the royalties derived from lands and mines, but not royalties in the broad, large sense.

Mr. STEWART (Edmonton): I am sorry I did not catch the first statement of my hon. friend. In what else than natural resources are we interested?

Mr. GEARY: I could mention a number of things. Royalties may produce moneys which belong to the crown and may not be connected with land. Gold, as distinct from coal and iron, is a royalty belonging to the crown and which does not go with the land. If my hon. friend wants a list, he can have it. They are such as fines, royal swans, flotsam and jetsam, escheats, and many others; there are a number of royalties which belong to the crown.

Mr. BENNETT: All prerogatives of the crown.

Mr. ELLIOTT: They are given in the act.

Mr. CANNON: Section 3 of the act of 1905 reads as follows:

> The provisions of the British North America acts, 1867 to 1886, shall apply to the province of Alberta in the same way and to the like extent as they apply to the provinces heretofore comprised in the Dominion, as if the said province of Alberta had been one of the provinces originally united, except in so far as varied by this act and except such provisions as are in terms made, or by reasonable intendment, may be held to be specially applicable to or only to affect one or more and not the whole of the said provinces.

Unless there would be exceptions in the act of 1905 covering what my hon. friend has just mentioned, I think they would belong to the province. So far as this government is concerned, our intention is to convey to the province of Alberta its natural resources and everything which would go with them.

Mr. GEARY: You will have to carry out that intention when the time arrives because there is nothing in there now.

Paragraphs 1 to 5 agreed to.

On paragraph 6.

Mr. BOURASSA: Mr. Chairman, the letter which the Prime Minister wrote to Mr. Brownlee on December 29, 1928, contains this paragraph:

> With respect to the school lands trust fund and the school lands, it is proposed that these shall pass to the administration of the province but shall be set aside and continue to be administered by the province for the support of schools organized and carried on therein in accordance with the laws of the province, but in compliance with the letter and spirit of the constitution.

That was the suggestion made by the Prime Minister to Mr. Brownlee when negotiations were opened regarding the transfer of these lands. As I pointed out the other day, this expression of the intentions of the government with regard to the school lands and fund was worded in exactly the same terms as were used at the Winnipeg convention, when a motion was adopted unanimously by the representatives of the Conservative party there assembled from all points in Canada. Whatever that expression was worth legally, I think it could be taken as an indication that this disposition would have received the approval of the whole house. I thought it was a very significant and hopeful sign that the Prime Minister should in his correspondence make use of the very same terms which had been used by the delegates to a Conservative convention. I was very happy to know that the two parties were coming to a point of agreement, not only in sentiment but in vocabulary.

Why were those words left out? Was it at the special request of Mr. Brownlee? Why do they not appear at the end of clause 7 of the agreement? Although couched in more precise language, this clause is practically the paragraph which I have just quoted from the letter of the Prime Minister, but with the last words left out.

As I pointed out this afternoon in discussing another subject, the words "in compliance with the letter and spirit of the constitution" either mean something or they mean nothing. Perhaps the Prime Minister should not be charged with this omission, because he is not a lawyer. But he has the habit of expressing himself, on constitutional matters, in very clear and strong language, and no doubt he had some idea in his mind when he included those words in his letter. I suppose the hon. member for St. Lawrence-St. George had something in his mind when he succeeded in having all of his party approve of those words. More than that, the late member for Frontenac-Addington, Hon. J. W. Edwards, who could hardly be accused of giving way to sinister designs on the part of the Roman Catholic hierarchy or the Roman Catholic minority, incorporated those very words in a motion presented to the house. I do not

remember whether that motion went to a vote, but I know that it was received very favourably by the whole house.

But in spite of all that, those words have been left out. Why? Surely Mr. Brownlee does not intend to pass laws regarding schools which will be against the letter and spirit of the constitution. Surely it is not the intention of this government to agree that anything regarding schools or what little remains of minority rights shall not be respected according to the letter and spirit of the constitution. It seems to me that we should have an explanation of why these words have been left out.

Mr. LAPOINTE: Perhaps my hon. friend will not object to my answering his question rather than the Prime Minister, because we lawyers are more responsible than he for these words having been eliminated. I know my hon. friend usually does not trust lawyers regarding these things.

Mr. BOURASSA: I trust some, my hon. friend especially.

Mr. LAPOINTE: Thank you. I know my hon. friend would be rather embarrassed in endeavouring to give a legal definition of the words, "letter and spirit of the constitution." One has only to read the speeches delivered last year on the motion of the late member for Frontenac-Addington to realize that the words "the letter and spirit of the constitution" can be interpreted in different ways by different people. The spirit of the constitution as interpreted in speeches delivered by the late member for Frontenac-Addington, by the hon. member for Toronto Northwest and even by the hon. member for Rosetown—and I read his speech in the debate of last year—is very different from the spirit of the constitution as enunciated by the hon. member for Labelle and others. The term "the letter and spirit of the constitution" is very satisfactory to indicate a state of mind, but as to inserting it in a statute or other legal document, it is verbiage. I think it is safer to rely on law than on words such as "the letter and spirit of the constitution." The law is based upon the constitution; it is derived from the constitution. It is the constitution that gives the legislative power, and when you say it will be according to the law of the province, you say as much as is necessary to make it according to the constitution.

There is still less danger, so far as the point of view of my hon. friend in regard to the matter is concerned, as there is a judgment of the Supreme Court of Canada defining the constitution, and the law of the province is of course what the constitution says it must be. I think counsel representing both sides to the agreement in the various provinces were right in inserting the words as they are in the agreement and eliminating the others, which not only were not necessary, but, if they could serve a purpose in a resolution or speech, would rather confuse the issue if put into a statute or other legal document. That is my honest opinion in regard to the matter.

Mr. BOURASSA: I do not want to prolong the discussion unduly, but I beg respectfully to remind my good friend the Minister of Justice of one feature of this question. As I said soto voce and as I say now in full voice, he is one of the lawyers in whom I have much confidence, especially when he makes use of his native common sense to interpret his own law. If this were a text of law; if this were a piece of legislation, there would be much in the argumentation of the hon. gentleman. But this is first an agreement; it is only to be ratified by law. Again I rely with not too much hesitancy or humility upon my experience by reading and otherwise. It is a good thing at times to introduce into a contract—and this is done frequently in private as well as in public matters—between individuals and governments such words as help in governing the interpretation of what might be called the strictly legal enactments of that contract. What I have in mind is this: Frequently it has been stated that under our constitution public education is a matter exclusively provincial with the exception of reservations contained in section 93 of the British North America Act. If my personal sentiments were concerned, if we had to draft the constitution of the country to-day, I repeat now what I have said time and again, namely, that I would never think of introducing into the constitution of Canada that involved and obscure section 93 which has not protected the minorities when their rights were attacked by brutal majorities, but which has given rise to so many useless political and racial struggles. But it must not be forgotten, it must be repeated once in a while, especially for the representatives of those parts of the country which are largely populated by newcomers, that section 93, which was restated in section 22 of the Manitoba Act and which was restated in a much modified form in those two sections 17 of the Alberta and Saskatchewan Acts, was not introduced as a principle of the constitution at the request of the Roman Catholics or the French of Lower Canada or

of the other provinces. On the contrary, they made it quite clear that they were prepared to run a risk and accept in practice as well as in law the principle of absolute provincial autonomy in matters of education.

It was in London, in what has been called the Treaty of London, that the delegated representative of the Protestants of Lower Canada, Mr. Galt, later on Sir Alexander Galt, who had resigned from the government for that very purpose, insisted on inserting in the constitution a section which made of education a matter by itself. When Lord Carnarvon, then Secretary of State for the Colonies, explained the bill in the House of Lords in what remains the most illuminating of all British parliamentary explanations of our constitution, he made it clear that legislative powers were of three classes: those reserved to the central government, by section 91; those reserved to the provincial government by section 92, and education, which formed a subject by itself, not to be under the exclusive jurisdiction of either the provinces or the federal authority. Any hon. gentleman who tries to understand the spirit and letter of the constitution as it was imposed upon us at the request of the Protestant minority of Quebec and for its protection, will realize that education was made, so to speak, a mixed matter under the usual jurisdiction of the provinces but under a sort of paternal control on the part of the federal government. I repeat; so far as I am concerned I do not think this should have been done, but it was done. It was done primarily for the protection of the Protestant minority; but naturally, although this might have been in the minds of some, nobody avowed that there ought to be one law for Protestant minorities and another for Catholic minorities, and therefore it was made to operate in behalf of all minorities.

Likewise it is under the guiding spirit of that abnormal, extraordinary section that the law of 1875, to which I referred the other day, was passed unanimously by parliament for the protection for all time to come of minorities, whether Catholic or Protestant, in the Northwest Territories and the future provinces to be created therein; and it is that basic principle which has been to a large extent broken and unfulfilled in passing the laws of 1905. I repeat those things once more, not for the pleasure of reopening an old debate; but since it has been reopened and presented in various forms, it is just as well we should realize the whole basis of it.

Therefore, in order to have a clear and intelligent interpretation of that clause which is supposed to maintain what—and it is very little—remains of the rights of minorities of those two provinces, I think it would have been a good thing to introduce those words, of the Prime Minister, in his letter of December, 1928, although I admit with the Minister of Justice that they would not have had any strict legal bearing; but they would have had, so to speak, a moral bearing. I have read time and again decisions of the privy council where words that had no peculiar legal significance were taken as throwing light upon the intention of the parties to an agreement or of the legislature. In that sense, words which may be of little legal value may acquire great indirect value in the interpretation of the law.

I credit the Prime Minister with this: He is full of sense. I have had occasion on many times, as have both his friends and his opponents, to realize that he has a broader and surer grip of constitutional issues than many lawyers. That is very often the case in connection with constitutional enactments; and surely he had something in his mind when he wrote that. Surely, on the other hand, the hon. member for St. Lawrence-St. George —I am glad that he is not present at the moment because I feel freer to say this, that he is a broadminded Canadian, and a man with much experience in the interpretation of law, both constitutional and ordinary law —surely he had something in his mind when he made use of the same words. The Minister of Justice says that these words are good for speeches. But they are not in a speech. They are in the letter of the Prime Minister of Canada, opening up a new correspondence with one of the provincial governments and laying down the basis of this agreement. I have read that correspondence very carefully; I have read with particular pleasure the correspondence exchanged between the Prime Minister and Premier Brownlee, because evidently throughout that correspondence there is a frank and loyal effort to achieve an agreement that will fulfil the desires of both parties. I repeat, there must have been some reason for putting in those words, and there must have been a motive for taking them out, and that is what I would like to have made clear.

Mr. MACKENZIE KING: I thank my hon. friend for his kind personal reference. I am afraid that in this matter I was more or less subject to the same sort of feeling with respect to my colleagues as he has been generous enough to express towards myself. The view seemed to be at the time the communication was sent that the particular words

mentioned were not essential in a contract or legal document; that while they might and would have an important bearing in a resolution or in a speech, they would neither add to nor subtract from the value of the agreement itself. At all events that was the representation that was made to me by the legal minds which had a part in the drafting, and I confess that I accepted that view. But I rather incline to the point of view of my hon. friend that occasionally a little additional general phraseology is a good thing.

Mr. BOURASSA: Better stick to your own point of view. As I want to be absolutely frank and straight with everybody, I may say that I have given a good deal of thought and study to another point raised by the hon. member for St. Lawrence-St. George with regard to those four sections of the Dominion Lands Act mentioned in this clause 7 of the agreement. When I read the agreement first I felt as he did, that it was rather strange that the word "inclusive" was not mentioned. But I studied it as carefully as I could, and I must say that the arguments of the Minister of Justice and of the Solicitor General have practically dispelled my doubts and confirmed my opinion. Upon this point, but not upon the other, I think they are right.

May I add this, which I called privately to the attention of my hon. friend from St. Lawrence-St. George after he had made his argument. Not only does it seem impossible to make application of these four sections without taking the four of them together, not only is it impossible to deal with the fund arising out of sale of lands without reference to clause 40, but it seems to me that there is another very strong argument to be made on this point. Everybody admits that clause 37 must apply. That is the clause under which two sections of land in each township are set aside for the purpose of forming the basis of the endowment and provision is made for the sale of those lands. Then the clause ends with these words:

> The sum realized from such sale shall become part of the school fund, as provided by section forty of this act.

If it is admitted that section 37 must govern the sale of the lands, then the whole of that clause applies; and the provincial government in binding themselves to reserve these lands and offer them for sale under clause 37, at the same time bind themselves to place the fund under the governing sentence at the end of clause 37, and in order to do that they must make use of clause 40. So, as far as the application of the four clauses is concerned, I do not think that there can be any doubt that all four apply. I content myself with adding this argument, which struck me when reading the clauses, and which I think confirms and strengthens the argument presented by the Minister of Justice and the Solicitor General, namely, that you cannot separate the four clauses. Not only do they form one section of the act, not only must you make use of all four in order to interpret clause 7 of the present agreement, but you cannot make use of the governing clause, which is clause 37, without immediately putting into operation, so to speak, clause 40.

Mr. GEARY: Surely it says so on the agreement.

Mr. BOURASSA: Perhaps my hon. friend did not follow the discussion the other day, when doubts were raised as to the application of clause 40.

Mr. GEARY: Why should it not apply?

Mr. BOURASSA: I was convinced that it did apply, but I thought that I would add this further argument to strengthen what had already been said in that regard.

Mr. GEARY: It does not hurt it anyway.

Mr. EVANS: I read in the second paragraph of the preamble:

> And whereas it is desirable that the province should be placed in a position of equality with the other provinces—

I take that to mean a position of equality constitutionally. The Prime Minister has repeatedly stated that the western provinces are to be placed in a position of equality with the other provinces, and if we are to have equality I am wondering why these words, referring to the school lands and the school lands fund, are put in clause 7 of the agreement:

> The school land fund . . . . shall be set aside and shall continue to be administered by the province in accordance, mutatis mutandis, with the provisions of section 37 to 40 of the Dominion Lands Act, for the support of schools organized and carried on therein in accordance with the law of the province.

Sections 37 to 40 deal with nothing else but the school lands and the school lands fund. Am I to understand that these school lands and the school lands fund are still to be controlled by the Dominion government.

Some hon. MEMBERS: No.

Mr. EVANS:— or are we to be placed in a position of equality constitutionally with the other provinces?

Some hon. MEMBERS: Yes.

Mr. EVANS: Now, I do not see why those two lines are in that clause, if that is the meaning and if the promises of the Prime Minister are to be taken seriously. As to the words quoted by my hon. friend from Labelle (Mr. Bourassa) from the Conservative resolution passed at Winnipeg, I have no objections at all to their being placed at the end of this section, because then we shall be in a state of equality with the other provinces. I am willing that those words shall go into the agreement and so carry out its purpose in compliance with the letter and spirit of the constitution. But if we are to be constitutionally equal to the other provinces, we are free from the Dominion Lands Act, are we not?

Mr. STEWART (Edmonton): I do not follow the point my hon. friend is making, unless he may think there is, by design or otherwise, some change contemplated in the existing administration of the school lands and the school lands fund. The province takes them over and administers them in exactly the same manner as the federal government are administering them now. That is all that is meant by the clause. May I say to my hon. friend that the transfer of the school lands and the school lands fund is from the control now exercised by the federal government, to be administered by the province in exactly the same way; there is no change.

Mr. SPEAKMAN: I assume the member for Rosetown has reference to this, that while the school lands and the school lands fund will be administered by the provinces they will be administered under the terms of a Dominion act. That at least is as I caught his meaning.

Mr. LAPOINTE: According to the law of the province.

Mr. SPEAKMAN: To be administered under the terms of a Dominion act, which would not leave them absolutely free of Dominion control.

Mr. EVANS: My meaning is that sections 37 to 40 of the Dominion Lands Act are not included in the constitution and they do not apply to school lands other than those in the western provinces. Let us get on a footing of equality constitutionally in this as well as in everything else. Will the member for Labelle (Mr. Bourassa) say that these sections will apply to any school lands in the province of Quebec or in the province of Ontario?

Mr. BOURASSA: No, for the excellent reason that there are no school lands in those provinces.

[Mr. Evans.]

Mr. EVANS: Then we are not in a state of constitutional equality.

Mr. BOURASSA: Yes, I made that precise point at Edmonton. There I met a few legal and political gentlemen who told me that they had never thought of that aspect of the question. For example, in Ontario there were the famous clergy reserve lands of the Church of England which agitated the old legislature of Canada for years. A settlement was finally reached, and the province had to agree to the consequences of that settlement with the Church of England and the other Protestant bodies. That question did not arise in Quebec. But in Quebec we had the famous seignorial tenure. The seigneuries were parcels of land carved out of the domain of the French crown and handed over to certain concessionaires who were called seigneurs, but who were as a matter of fact colonization agents for the French government. The English government decided to maintain those seigneuries, and it took eighty years to settle the question. The province of Quebec was bound in 1867 by that decision. These various land questions have been differently treated in the various provinces because of the different circumstances under which those questions had arisen. If school endowments had been created in Upper and Lower Canada by the proper authorities previous to confederation, no doubt we would be obliged to abide by what was then done. For example in settlement of the seignorial question in Lower Canada certain sums of money were levied upon certain parts of the province to extinguish those rights, and were granted to the townships. I remember when I was in the old county council of Ottawa some forty years ago we were still deriving from the treasury of Quebec a small sum arising from that fund, which had been created by another body before the birth of confederation. In the case of the western province those school lands reserves and that fund were created, as I explained the other day, by the parliament of Canada. Whether we consider the parliament of Canada as acting as a sovereign body or as a trustee, nobody, I believe, questions the then obligation of the parliament of Canada to make provisions for education and its right to create that school endowment; and now the provinces inheriting those lands inherit the obligations connected with them, just as my friend, if he purchases a mortgaged property, is bound to pay the mortgage, because he becomes owner of the property subject to that encumbrance.

Mr. SPEAKMAN: There is just one point, Mr. Chairman, that I rather deprecate in the

argument of the hon. member for Labelle, in that his whole contention appears to me to be based upon a somewhat vague distrust of the fairness of the people of those provinces.

Mr. BOURASSA: Oh no, my friend is entirely wrong.

Mr. SPEAKMAN: Then if there is complete confidence in their fairness and justice and good will, it does seem to me that this question, as other questions, might very well be left to them to be dealt with. I have lived there almost all my life and I never heard the question brought up as an issue until it was introduced and discussed in connection with this very matter. There has been no feeling of that kind in the west. I think the hon. member for Labelle and the house as a whole can trust the sense of justice and fairness to the people of Alberta and Saskatchewan and their respective governments to deal generously and fairly with every class of the community.

Mr. LAPOINTE: That is really what is being done.

Mr. SPEAKMAN: I quite appreciate that in the terms of the agreement. I am applying my remarks rather to the argument of the member for Labelle.

Mr. LAPOINTE: That is really what is being done. It is a mark of our confidence in the two provinces that instead of keeping this endowment fund here we are transferring it to them.

Mr. SPEAKMAN: Precisely; but I felt the argument of the hon. member for Labelle was based, perhaps unconsciously, on some distrust of what might be done by the people of those provinces were they left with an entirely free hand to deal with the matter as they thought fit.

Mr. BOURASSA: No. I think my hon. friend gathers that from the silly things that have been circulated in his province of what I never said in this regard.

Mr. SPEAKMAN: No, I was basing my remarks on the argument of my hon. friend this afternoon.

Mr. BOURASSA: My argument is in advance of the position held by my hon. friend, because I have stated that if I were free to deal with the matter I would suppress everything which goes against autonomy in matters of education. I simply say that the principle, having been laid down in 1867, should be maintained in all the provinces according to the various circumstances of each. That is all my argument.

Mr. EVANS: Mr. Chairman, again I should like to ask the Minister of Justice (Mr. Lapointe) if section 7 does not recognize a Dominion suzerainty over the provinces of the west regarding their school lands and school lands fund—

Mr. LAPOINTE: Not at all.

Mr. EVANS: —and does it not preclude the possibility of the Dominion Lands Act being repealed so far as those provinces are concerned and being replaced by a provincial enactment?

Mr. LAPOINTE: I really cannot understand what my hon. friend has in mind in that respect. I think he ought to be satisfied in every way. The school lands endowment has been considered as a trust from 1872 and I think the population of the west is quite satisfied to have the lands continue to be set aside for the purposes of education. Of course it was under the management and administration of the Dominion government and in the right of the Dominion so long as the lands were under the control of the crown. The various public men of Canada from Sir John A. Macdonald down to the present time have said that this was to be preserved as a sacred trust for education. This act will respect and preserve the endowment; those lands will be transferred to the province; they will be under the management of the province and they will be administered according to the laws of the province. Who can complain about that?

Mr. GEARY: I think my hon. friend believes that the reference to the Dominion Lands Act keeps these lands under the authority of the Dominion parliament; that is what is in my hon. friend's mind. He believes they are to be administered in accordance with certain sections of the Dominion act, and fears that the Dominion jurisdiction over these lands is continued by that reference.

Mr. LAPOINTE: My hon. friend knows that the province will have full control.

Mr. GEARY: I am trying to interpret the idea of the hon. gentleman who has just spoken.

Mr. BENNETT: The remarks of the hon. member for Labelle (Mr. Bourassa) as well as those of the Minister of Justice (Mr. Lapointe) prompt me to make a few observations in order to correct certain views as to the history of this law. The hon. member for Labelle referred to section 93 of the British North America Act. That section provides for remedial legislation by parliament in the

event of the rights of minorities being taken from them by provincial legislatures. That is, if minority rights in the province of Manitoba were taken away from the minority by the provincial legislature, and the province declined to redress that wrong, there is power given to the parliament of Canada to pass remedial legislation. When the hon. gentleman made a reference to the struggle for the rights of minorities I felt I would be remiss in my duty did I permit the statement to be made in this parliament without some contradiction that the hon. gentleman and those who are now his friends were entirely responsible for the protection of what they have called minority rights.

Let us look at the history of the transaction. In the constitution of the province of Manitoba there is a provision whereby the rights of minorities are protected. Those rights were disregarded by a Liberal administration. Not only were they disregarded by a Liberal administration but that Liberal administration under Mr. Greenway and Mr. Sifton swept the province on two occasions with violent cries such as you will find similar record of in few parts of this North American continent. When they had again reasserted the claim to deprive the minority of their rights and appeals were made with respect to disallowance, their answer was simply to reenact the statute. Just as often as any effort could be made to restrict or lessen the power exercised by that legislature, just as quickly did the legislature reenact a statute depriving them of the rights. I do not rest that statement merely upon my allegations. The privy council decided in the Barrett case that the rights of minorities had been taken away by the legislature of Manitoba; that legislature was a Liberal administration. Manitoba was under the control of a Liberal government, and the appeals which were made must be in the mind of every member who has read the papers of that day or who has read the subsequent discussion which took place in respect to the matter in question. After the privy council had decided that minority rights had been taken away by the Liberal government in Manitoba in consequence of a campaign bitterly waged by Mr. Greenway and Mr. Sifton, a separate appeal was made to the privy council to decide whether or not under the provisions of section 93 there was a right in that minority to appeal to this parliament for remedial legislation. Although Sir John Thompson had died just after the publication of the judgment, his successor in office had to deal with the problem. Legislation granting remedial rights was introduced into this parliament by the government led by Sir Charles Tupper, at a time when Mr., afterwards Sir Wilfrid Laurier was leader of the opposition. This legislation was introduced under the British North America Act. What happened? The Liberal party of that day, there being no limitation to speeches and no closure rules, talked the measure out of existence. The measure died in time and the rights of the minority which were taken from them have never been returned—never. It is true that after the Liberals came into power they took certain diplomatic steps. A gentleman who later became Cardinal Merry del Val came to this country to make an investigation and report. As a result an arrangement was arrived at but the rights of the minority were never returned to them by the Liberal administration of the province of Manitoba.

[Mr. Bennett.]

Mr. LUCAS: Have those minorities suffered any as a consequence of not having those rights?

Mr. BENNETT: As to whether they have suffered I have no idea; I do not live in Manitoba and I am not in a position to express an opinion. I am merely stating historical facts. It seems to me that when the hon. member for Labelle and some of his friends so vigorously attacked the party with which I am now associated they forgot at least the historical basis. The Conservative party suffered defeat in the ensuing election, largely at the hands of the people of Quebec; although Ontario had been denounced in certain sections as being opposed to granting minority rights, that province returned a majority in support of the administration. From 1896 until to-day there has never been an occasion when the province of Quebec has not returned a majority in support of a Liberal administration as opposed to a Conservative administration. So when the hon. gentleman talks about minority rights I would like to remind him that the historical basis is not such as to induce any party to be very much concerned about its protection.

Mr. BOURASSA: That is exactly what I said yesterday.

Mr. BENNETT: Well, all I can say is that the hon. gentleman has a very strange way of expressing himself.

Mr. LAPOINTE: My hon. friend knows very well that we were discussing the Saskatchewan and Alberta situation; he is now going back to Manitoba.

Mr. BENNETT: I am coming to this section.

Mr. LAPOINTE: The whole discussion took place on a speech made by the hon. member for St. Lawrence-St. George.

Mr. BENNETT: I will give the hon. member some facts as to my own experience. I supported the remedial legislation of 1896 and I voted and worked for the Conservative party of that day. Why? Because the constitution of this country is something not lightly to be disregarded or set aside; until it is changed I will support it. If it is necessary to change it we can do so by the methods and means provided by law, but as long as it stands I will not set it at naught. I was a young man then—much younger that I am now—

Mr. LAPOINTE: Oh, you are still young.

Mr. BENNETT: No, I am not, I am sorry to say. At any rate I have stated the historic facts. Sir Wilfrid Laurier declared time and again in this house that no one should interfere with the rights of the provinces with respect to education. I had no idea that the demands were so strong until my attention was directed to them a few years ago. The Minister of Justice referred to the fact that he had been in the house in 1905, and in that year when Mr. Borden in this house by proposed amendments sought to have it declared that the provinces should have complete control of education, the Minister of Justice will recall that the restrictions imposed by section 16 of the original act of 1905 were amended and the restrictions of section 17 substituted therefor. Those restrictions, as the minister very properly stated the other day, are somewhat less strong than the restrictions of the original section 16. That was a direct violation of the principles which the Prime Minister of that day had enunciated when in office, namely that the province should have complete control of its educational matters. The new province—

Mr. CANNON: Having regard to vested rights.

Mr. BENNETT: That is not the point he made then, because there were vested rights in Manitoba and the privy council so decided in 1896. But the prime minister of 1905, the leader of the opposition of 1896, asserted, as my hon. friend the Solicitor General will find by looking at the Hansard of that day, in terms so strong, so vigorous and so far-reaching that there may be no question of equivocation about them, that the provinces should have the right to deal with the question of education. The hon. member for Labelle said to-day during his observations that that was so, because he had been in the house, not in 1896 but in 1905, and he complained that too wide a construction had been placed upon that general expression of power on the part of the provinces.

Then what happened? In 1905 sections 17 of the acts as they now stand were passed, and the contention was raised that these provisions were beyond the legislative competence of this parliament because they did restrict the free exercise of power by the legislature of Alberta or the legislature of Saskatchewan. That question was referred to the Supreme Court of Canada, and last year that court decided that the power was properly exercised and that this parliament had the power to act in the manner indicated.

The bill now before the house provides in terms that there shall be a right to go to the court of last resort to have that question settled, as the hon. member for Labelle has properly said, and these agreements merely mean that in the signing of them such execution is without prejudice to the rights of the province to have that question determined. Perhaps I might make use of a term which I do not know is much used in civil law but which we common law lawyers use frequently; a certain event may happen or a certain thing may be done without prejudice to the rights of the parties, whatever they may be. The right to litigate is a right inherent in citizenship; any citizen can question the legality of the exercise of power, and it would not be necessary to have inserted these words "without prejudice"—I am now using what I might call a mere summary of the words—were it not for the fact that if these agreements in turn were ratified by the privy council as they stood without the provision as to its being without prejudice, the effect would be that it could be no longer litigated. That is all that is meant by it, and the only reason why the province of Alberta has asserted these rights as defined by the section in question that now has been added as an amendment to the operative part of the ratifying statute is because the province of Alberta would naturally obtain the benefit of any such decision were it not for the possible fact that the ratification of the agreement with Alberta might make it no longer open to question, whereas in the neighbouring province it would be open. The only effect of this amendment is to declare that in the event of there being litigation whatever happens with respect to the one shall also inure to the benefit or to the disadvantage of the other. That is all, and the words which have been used are used merely in a legal sense. It its not always wise to think that lawyers are a great detriment to a country.

Mr. LAPOINTE: Or to society.

Mr. BENNETT: Or to society. My hon. friend is a student of history; he realizes that such rights and liberties as the people enjoy in this country to-day have come down through the ages largely through the sacrifice and the courage of men of the profession to which my hon. friend and I belong, men who, whatever may be their failings—and we all have them—at least had the courage at critical moments in the development of our constitution in the motherland to assert that no sovereign, no matter how great he might be, could over-awe or induce them to do other than their duty with respect to matters of important public concern. When a great king said to one of his attorneys general that he as a judge must do so and so, the judge replied, "Your Majesty may be able to find twelve men who will do this, but you will not find one lawyer," and he would not associate himself with the matter. That was an exercise of great courage by a man who was prepared to sacrifice life itself in the preservation of what he believed to be the rights given by law to the citizens of the country. I might ask my hon. friend from Labelle what would happen to the legislation of this country if we had no lawyers.

Mr. BOURASSA: Oh, they have their usefulness.

Mr. BENNETT: They have their usefulness, and of course those who criticize them have their usefulness as well, because they cause lawyers to have even a higher sense of their obligations. However, may I say that in the ultimate analysis all laws depend for their value upon judges. The third great branch of our institution, the judicial branch, determines, interprets and construes what are the rights and privileges under the laws as they are, and therefore it is of the first importance that we should endeavour so to utilize the great power we have to provide that the language effectuates the intention. In this instance the addition of this clause to the Alberta agreement is to effectuate the intention that there shall be no difference between the two provinces and that, if in the end the province of Saskatchewan carries on litigation which inures to its benefit, a corresponding advantage should inure to the neighbouring province, and that the mere failure to add certain words should not make the constitutions of the two communities different in case of ratification of one which included the words and of the other which did not.

[Mr. Bennett.]

That is all we are endeavouring to do in this instance, but it is of great importance to remember the only point I was trying to make to the house. When in the province of Manitoba the Liberal government of that day took the course it did and swept aside the rights of the minorities, appealing to the people, whenever there was a threat of their legislation being disallowed or otherwise dealt with, for a revote of their confidence in the government of that day, they brought about a condition in this country from which we have not yet entirely recovered. I recall that one of the most eminent lawyers in Alberta, a gentleman who subsequently became a judge and who since has passed to his reward, said, "Bennett, why do you concern yourself about these bills? Do you not realize that after the Manitoba case, whatever the majority want to do in Alberta they will do?" He was speaking as a close student of, and a real authority upon, the constitution, and that is the injury that was done to this country by the proceedings of 1896.

We did this: We swept aside constitutional safeguards and, by an appeal to the people, secured a verdict which said that the Conservative party, in endeavouring to stand by that constitution, should be swept out of power, as they were. By so doing we declared against the validity and value of a constitutional safeguard for minorities. That is what we did, and if there is one thing more than another of which those who profess the Conservative faith have reason to be proud, it is this: However great the inducements may have been—and they were great—to have them depart from what they believed and knew to be the constitutional pathway as defined by the privy council, the court of last resort, in the two great cases that went from Manitoba, they did not swerve by a hair's breadth from their duty but marched to their doom at the hands of the electorate, because they were thereby safeguarding the rights of minorities and putting themselves forever upon record as standing by the constitution of this Dominion. By that they still stand.

Mr. CAMPBELL: All through this agreement the lands are referred to as passing into the administration and under the control of the province, the word "ownership" not being used. I would like the minister to explain if ownership actually is intended?

Mr. LAPOINTE: The Solicitor General explained yesterday that the ownership is really in the crown. The crown acts in different ways; here it is the crown in the right of the Dominion; in the province of Quebec

it is the crown in the right of the province of Quebec, and in Alberta it is the crown in the right of the province of Alberta. The crown cannot very well transfer ownership from itself to itself. That is why those words are used; it is merely a legal way of expressing what my hon. friend has in mind. In practice, the ownership will be in the province.

Mr. CAMPBELL: That is, the federal government is conferring all it possesses.

Mr. LAPOINTE: Exactly.

Paragraph agreed to.

On paragraph 8.

Mr. BENNETT: Has this paragraph been considered in the light of my statement the other day as to what I conceived to be the facts?

Mr. LAPOINTE: There is much in what my hon. friend said the other day, and obviously some other step will be taken after this has been approved by parliament. Whether that step will be contained in the address asking for imperial legislation, or by means of a Dominion statute, remains to be decided. We are asking parliament to ratify these agreements with the provinces, and legislation will be adopted to give effect to every provision.

Mr. BENNETT: This seems to me an opportune occasion to repeat what I mentioned the other day. We deal with these matters by drafting and enacting a statute of this parliament. We have received a contract which has been ratified and approved, that contract representing the considered views of the province and the Dominion. There being an agreement as to the terms upon which the transfer is to be made, we then proceed, as we did with the old Manitoba Act, to pass a statute. We ratify the agreement, and have the statute ratified in Great Britain, as was done with the Manitoba Act. That is, the first section would declare that all lands, and so on, are now vested in the crown in the right of the province, and then it would continue to the end. That statute would repeal section 6 of the Irrigation Act, and that section of the autonomy act of 1905 which says, "inasmuch as the provinces will be without their lands"—

Mr. STEWART (Edmonton): The Irrigation Act can be repealed by this parliament.

Mr. BENNETT: We would pass a statute which would be beyond our legislative competence, as was the case with the Manitoba Act. That statute would then be ratified and confirmed at Westminster, as was the case with the Manitoba Act.

Mr. LAPOINTE: Does my hon. friend say that the Manitoba Act was beyond our competence? I know that doubts were expressed to that effect.

Mr. BENNETT: They thought it was; I will put it that way.

Mr. LAPOINTE: The law officers of the crown were not of that opinion.

Mr. BENNETT: The law officers of the crown in Great Britain had grave doubts when they were asked for an opinion in respect of it, and it was recited that there were doubts as to its validity.

Mr. CANNON: You mean by the imperial act.

Mr. BENNETT: Yes. If this agreement is sent to Great Britain we cannot ask with any force and effect for validation of the agreement because there is still left outstanding the sections of the autonomy bill and of the Irrigation Act. The question will arise as to our power to repeal that section of the autonomy bill, because it can be done only by an imperial statute. If we completed the whole transaction by enacting a statute after the agreement had been ratified, we would meet the difficulty. I do not offer this from any party standpoint, but because I have been trying to find some method of dealing with this matter. It was only in the middle of the other night that a solution came to my mind.

Mr. LAPOINTE: Was it a dream?

Mr. BENNETT: No, it was not a dream like I had at Winnipeg; it was a real fact. I had not been able to sleep, and I was going over in my mind what had taken place during the day. I still think that the law officers of the crown will find that that is a most convenient way to deal with the transaction. I do not make this suggestion in any spirit of partisanship, but rather from an earnest desire to see a fact accomplished after the letter of the law has been fulfilled. If we are not careful, we will ratify the agreement and find that no resources have been transferred in law.

Mr. LAPOINTE: You mean as far as the waters are concerned?

Mr. BENNETT: Yes, and with regard to one or two other matters which stand in somewhat the same position.

Mr. LAPOINTE: All those things will be fully considered.

Mr. BENNETT: There is no doubt that it was the intention of the parties that the water powers should be vested in the province.

Mr. LAPOINTE: No doubt about that.

Paragraph agreed to.

Paragraphs 9 to 16 inclusive agreed to.

On paragraph 17.

Mr. GERSHAW: Would the minister explain this paragraph? It states:

—except so far as the same are agreed to be uncollectible,

Who is to decide that they are uncollectible?

Mr. STEWART (Edmonton): That will be decided by agreement between the minister in charge in the federal government and the officers of the provincial government. As my hon. friend knows, at the present time a board is dealing with somewhat similar conditions, and it is not likely that the federal minister or the federal officer in charge of this matter will acept without complete knowledge the statement of the provincial officers that these accounts are uncollectible.

Paragraph agreed to.

Paragraphs 18 to 25 inclusive agreed to.

Schedule agreed to.

Bill reported.

NATURAL RESOURCES

AGREEMENT WITH SASKATCHEWAN

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of Bill No. 58, respecting the transfer of the natural resources of Saskatchewan.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

Sections 1 and 2 agreed to.

On the schedule—Memorandum of agreement.

Mr. LAPOINTE: I think the schedule might be accepted without recording every paragraph, because it is the same as the other and everything has been discussed.

Mr. CAMPBELL: In connection with paragraph 4, I would like to ask the Minister of Justice whether that would apply to the grants of land to the Canadian Pacific for right of way and other purposes.

Mr. LAPOINTE: Yes.

Mr. CAMPBELL: I take it then, that under no consideration could the provinces ever get back the right to tax that land. Is that so?

[Mr. Bennett.]

Mr. STEWART (Edmonton): We have spoken of this very often. The province will undoubtedly have to perform in its entirety every contract under the provisions of this agreement. A contract of whatever character that it is incumbent upon the federal government to carry out, the province will have to carry out. This applies all along the line. Whatever obligation by way of contract or otherwise the federal government may have with respect to any of those resources, the province is undertaking to carry out. I cannot make the matter any clearer than that.

Mr. CAMPBELL: I quite understand that, but what I want to get now is the opinion of the Minister of Justice or the Solicitor General in connection with those questions that we expect will be submitted to the courts. Supposing the courts or the privy council decide that the federal government never had the right to grant the Canadian Pacific exemption from taxation, what would be the situation?

Mr. CANNON: I do not really appreciate how such a decision could be given, but assuming that it would, as regards everything which was done by the Dominion the commission would have to deal with the new situation. Whatever had happened in the Northwest Territories since 1870 would be called in question. The situation would be a very difficult one; indeed, the difficulties of the situation would be so numerous that I am inclined to doubt very much whether such a decision could be given. It is, of course, always within the realm of possibility.

Mr. CAMPBELL: I am just taking a hypothetical case. Supposing it happened, then I presume the province would have a claim for damages against the federal parliament.

Mr. LAPOINTE: The commission will deal with that under the agreement.

Mr. CAMPBELL: The accounting?

Mr. LAPOINTE: Yes.

Mr. EVANS: I think a set of questions as to the matters between the two governments that shall be taken before the courts has been agreed upon. Could we have those questions read?

Mr. LAPOINTE: The order in council—because under a section of the Supreme Court Act those questions will have to be embodied in an order in council ordering a reference to the Supreme court—has not yet been

passed. No doubt there will be no objection to showing the questions immediately to my hon. friend, but I think the order in council, when it is passed, should be laid upon the table of the house. I do not see that those questions could be laid on the table, because they have no legal binding until they are embodied in the order in council. The questions as drafted have been accepted by us and it will be stated in the order in council that they are the questions as suggested by the province of Saskatchewan. Although we would have drafted at least some of the questions in a quite different way, in order that there should be no grievance on the part of the province, and as we did not think this would injuriously affect the case of the Dominion, we agreed to accept the questions as they were drafted. Therefore my hon. friend need not have any difficulty about the matter.

Mr. GEARY: I hope when we get to the judicial committee we shall find there is an appellant.

Mr. LAPOINTE: I hope so, especially if the decision of the supreme court is as the other decision was.

Mr. CAMPBELL: There seems to be some doubt as to the application of paragraph 8. I suppose it is the intention of the federal government or parliament to turn over all lakes, rivers, water powers and so forth to the provinces.

Mr. LAPOINTE: Certainly. My hon. friend is right in that, and any step that is necessary to carry that into effect and practice will be adopted,

Mr. FANSHER (Last Mountain): One point in regard to which I should like to set my mind at ease is contained in paragraph 2, which reads:

> The province will carry out in accordance with the terms thereof every contract to purchase or lease any crown lands, mines or minerals—

And so forth. A great many people in the central part of Saskatchewan are concerned about the situation respecting Manitou lake. It had been leased under a mineral lease, and when the people found out about it they were up in arms. I would like the Minister of the Interior to tell the committee just how that lease is now held, and just what the position will be when the resources are turned over to the province. Personally I am quite convinced myself, but I think that a statement should be put on Hansard to appease the minds of a large number of people who are interested in this particular question.

Mr. STEWART (Edmonton): I had with me yesterday a memorandum with respect to it, but unfortunately I took it back to the office. I think, however, that I can speak from memory accurately enough with respect to that particular lease of Lake Manitou. It is a mineral lease. It did not and does not carry with it the water right. The water right is still to be granted, and since the date of the issuing of the lease there has been a considerable agitation, which has reached me. We have not taken any steps, and do not propose to take any steps, to allow the lessee to proceed until that question is settled to the satisfaction of other interested parties. I think that is all I can say about the matter. I assume that the province will take the same view when the resources are transferred to them.

Mr. FANSHER (Last Mountain): Then I understand that there will be no change in the present status of this lease, and that no water right will be granted prior to the transfer of the resources?

Mr. STEWART (Edmonton): Not unless there should be delay in the transfer or unless the parties who are objecting should consent. That would be the only way in which anything could be done in the matter, but it is not likely that anything will be done until the resources are transferred to the province. I anticipate that the transfer will take place in a short time, and I do not anticipate that those who are objecting will change their minds.

Mr. FANSHER (Last Mountain): They certainly will not.

Mr. STEWART (Edmonton): That is my information.

Mr. CAMPBELL: Has the minister adopted any particular policy with regard to the leasing of timber berths? I had a letter in today's mail which I am passing over to the department asking about timber berths. Will any more be leased by the federal government before the transfer, or will they all be held up in the meantime?

Mr. STEWART (Edmonton): We must, of course, continue to carry on under our regulations. We are not making any changes in them. My hon. friend knows that when a timber lease is up for disposition it is always advertised and everybody knows that such and such a lease is to be disposed of, and everyone is given the opportunity to bid for it. I do not mean to say that we are going to stop administering until the day the province takes over the resources, but if any-

thing of any considerable moment comes up that it seems to be necessary to deal with, we shall consult the province about it. In the ordinary everyday routine the department will carry on until the date of the transfer.

Mr. CAMPBELL: I quite understand that you cannot stop the ordinary administration, and that the department will have to administer in the meantime. The particular case about which I wrote to the department concerned an application for a timber berth that had not already been advertised. Would the minister go ahead and advertise that lease without the consent of the provincial government?

Mr. STEWART (Edmonton): We might do so. Of course, I find it very difficult to administer affairs for another government. I have difficulty enough administering affairs for this government without having to satisfy all parties concerned. It is very difficult to get to a third or fourth party all the various factors involved in any particular question. So far as timber berths are concerned, they are always advertised and disposed of at public auction to the highest bidder. There will be no change in the method of administration in that respect. Personally as minister I seldom hear about them. These leases are granted under the regulations by the officers of the department after being publicly advertised. We dispose in the same way of even the burnt berths where fires have taken place.

Mr. CAMPBELL: There was no suggestion at all that there would be anything wrong done, but the settlers in that district wanted this particular piece of timber reserved for farmers' permits. The minister knows what I mean.

Mr. STEWART (Edmonton): They do not want it disposed of? In that case it certainly would not be disposed of to some one individual. There would be an arrangement made so that the farmers might have the benefit of the berth. It is a small one, is it?

Mr. CAMPBELL: Yes, it is a small one.

Schedule agreed to.

Bill reported.

NATURAL RESOURCES

AGREEMENT WITH BRITISH COLUMBIA RESPECTING RAILWAY BELT AND PEACE RIVER BLOCK

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of Bill No. 41, respecting the transfer of the Railway Belt and Peace River Block.

[Mr. C. A. Stewart.]

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

Sections 1 and 2 agreed to.

On the schedule—paragraph 6.

Mr. FRASER: In general, what has been done in connection with these ordnance lands. I refer particularly to a block of ordnance lands in my own district in regard to which I understood arrangements were made so that it might be taken out of the area or cancelled entirely and located somewhere else. In general terms would the minister state what agreement has been reached with regard to the Chilcoten ordnance reserve?

Mr. STEWART (Edmonton): Mr. Chairman, I cannot speak definitely of any one particular reserve or ordnance land as it is called. It has been a matter of considerable controversy between the government of British Columbia and the federal government for a number of years, and it is gratifying to know that the matter is settled to the satisfaction of both governments under the provisions of this agreement. The ordnance lands of which we know the acreage and which can be readily defined will pass to the federal government. It is provided by the agreement that transfers can be made as between the federal government and the provincial government, and, although I am not familiar with the particular area my hon. friend has referred to, I think there will be no question that, if agreeable, a substitution of some other territory can be made for that area. In most parts of Canada these ordnance lands are used for military purposes, but frequently it happens in the older provinces that the Department of Defence find they have no longer any use for the lands and they turn them over to the Department of the Interior for administration, and usually for sale. That is the method by which they have been handled in the other provinces, but in British Columbia the provincial authorities felt that they had certain rights in connection with these lands. In some cases, I may say, for instance, in the city of Vancouver itself, there might be doubt as to the validity of the title to some of the lands that were disposed of by the provincial government. All matters affecting title and so on will be cleared up and the federal government retain those ordnance lands; but, as I say, in many instances they are still to be defined by agreement with the province as to acreage and so on. But the principle has been settled that these lands remain the property of the federal government.

Mr. FRASER: Why do you insert the words: "whether the same lie within or without the said railway belt"?

Mr. STEWART (Edmonton): Many of the ordnance lands are outside the railway belt.

Mr. FRASER: The one I am talking about is certainly outside the railway belt.

Mr. STEWART (Edmonton): I cannot give my hon. friend the locations. There are a considerable number of these lands, but I do not think the acreage, except in one or two instances, is very large. Certainly the ordnance lands are not all within the railway belt.

Mr. FRASER: Might I say that I am interested in this parcel of land because it is a well defined area of one hundred thousand acres situated within the very heart of the cattle grazing country and the local cattlemen have been after me for two or three years to see if I could not get a cancellation of that as ordnance land. Were any representations made to the minister for the exchange of these ordnance lands for an equivalent area in some other part of the province? I understand this particular piece of land was inspected by the militia officials and they advised the department that on account of its location it was not at all suited for military purposes of any kind. That being the case, it seems to me that the proper time to deal with it was when this arrangement was being made. If no definite arrangement has been made, is any tribunal to be set up under this agreement to take into consideration the settlement of such questions as this?

Mr. STEWART (Edmonton): No, for the very good reason that we have settled the principle that the ordnance lands shall belong to the federal government, no matter where situated; but we have also agreed that the matter of adjustment with respect to these lands, their area and so on, can be settled later on. I am sorry that the subject of the transfer of this particular piece of land has not been brought to my attention, nor am I able to tell my hon. friend whether it has been leased. Perhaps he can tell me whether leases of that strip of land have been issued by the Department of the Interior to the cattlemen?

Mr. FRASER: The land I refer to is right in the centre of a large cattle grazing area, and up to the present time I do not think any leases have been issued.

Mr. STEWART (Edmonton): And they pay no rentals to anyone?

Mr. FRASER: I do not think so, but I am not sure about it. I believe there was a tentative arrangement entered into between the two governments for the provincial government to collect the taxes and pay them over to the federal government. Whether that arrangement was completed or not I cannot say. But let me refer the minister to section 8:

> The location and boundaries of the several parcels of ordnance and admiralty lands aforesaid shall be referred for determination to two persons, one of whom shall be appointed by the governor general in council, and one by the lieutenant-governor in council, and in the event of a disagreement between the said two persons, an umpire shall be selected by agreement between the Minister of Justice for Canada and the Attorney General of British Columbia.

Can the minister tell me what significance section 8 has? Would it have any relation to just such cases as this?

Mr. STEWART (Edmonton): My difficulty about the ordnance lands is this: there are many parcels of such lands under the control not of the Department of the Interior, but of the Department of Defence, and I think perhaps that department has been in control of the land that my hon. friend mentioned, for this reason, that apparently the officers of that department made an inspection of the land and decided that it was not fit for military purposes. That is what I understood him to say.

Mr. FRASER: Yes.

Mr. STEWART (Edmonton): The result is that I am unable to tell him whether there has been a transfer of that land from the Department of Defence to the Department of the Interior, but I think likely that has not happened; for had it been transferred the cattlemen would be paying rentals under leases; we would look after that at once.

Mr. FRASER: You are better collectors than the other fellows.

Mr. STEWART (Edmonton): Well, we sell, lease or otherwise dispose of these lands in the interest of the federal government. That is our duty when they are turned over to us. But, as I say, in many cases the dispute between our government and the government of British Columbia was as to who actually owned these lands. That dispute has been settled by this agreement under which it is agreed that the federal government shall own and control those lands in British Columbia. The commission to settle the extent and location is provided for in the section quoted by my hon. friend. So that the whole

matter will be cleared up by the commission. If my hon. friend and the people in that locality make representations to the government that they are desirous of having that land remain in the hands of the provincial government, and some more suitable land in another part of British Columbia can be substituted for it, their representations will be given full consideration.

Mr. FRASER: Do I understand from the minister now that this section which I have quoted will transfer control of this ordnance land from the Department of Defence to the Department of the Interior?

Sir EUGENE FISET: May I say to my hon. friend that in 1919 a survey of all ordnance lands that were not actually needed for military purposes was made, and they were transferred to the Department of the Interior to deal with them as they might think fit.

Mr. FRASER: Did I understand the hon. gentleman to indicate that this land belonged to the Department of the Interior?

Sir EUGENE FISET: Speaking from memory, I think this is one of the pieces of land claimed by the military officials my hon. friend referred to a minute ago, and transferred to the Department of the Interior.

Mr. STEWART (Edmonton): What my hon. friend says is true, but in many cases the transfer has not yet been made from the one department to the other. We will try to clear that matter up now that the matter of ownership has been definitely decided.

Mr. FRASER: My information in this matter is very definite; I am told that the ownership of this land is in the military authorities and not in the Department of the Interior. Do I understand the minister to intimate again that he proposes to transfer that land from the Department of National Defence to the department of which he has charge?

Mr. STEWART (Edmonton): The statement of my hon. friend is true. There was a survey of all these lands in Canada; certain of them were represented to be not required for military purposes, and it was the intention that they should be transferred to the Department of the Interior.

Mr. FRASER: And this is one of them?

Mr. STEWART (Edmonton): Yes. Many of those lands have been transferred and we have made disposition of them. Some of them, however, have not been transferred. Unfortunately I am unable at the present time to get information as to those particular pieces of land; I can give the information to my hon. friend to-morrow. Those lands in British Columbia, known as ordnance lands, which are not required for military purposes will be transferred for disposal to the Department of the Interior. The commission provided for in section 8 will decide upon the extent and in some cases the location of these lands so that the whole matter will be cleared up.

Mr. FRASER: I am asking the minister why he did not clear the matter up when the agreement was being made; why did he not transfer it back to the province of British Columbia? The department is supposed to be transferring back to the province of British Columbia lands which were formerly in the Peace River block and the railway belt. Why did the minister not make a clean job of it and clear up this piece of land?

Mr. STEWART (Edmonton): I wish to say that I took a very determined stand in respect to ordnance lands. These lands were set aside for military purposes in all the provinces of Canada. We are treating British Columbia in exactly the same manner as we are treating the other provinces. That has always been my contention in regard to this matter. I do not deny that the officials of the provincial government made a very strong claim as to those lands, particularly those which were not required for military purposes. I think however that we were on sound ground in standing upon our rights as to these lands. We had kept them in all the other provinces, and we were treating British Columbia in exactly the same manner as we had treated the other provincial governments.

Mr. FRASER: These lands were set aside for military purposes and it has been declared by the military authorities that they are not suitable for military purposes. Why were they not considered in the general turnover of lands to the province of British Columbia? It has created a situation which has affected the stock men of that section. The matter should have been settled.

Mr. STEWART (Edmonton): It is settled.

Mr. FRASER: No, it is not settled.

Mr. STEWART (Edmonton): Absolutely. This controversy with respect to ownership had been going on for some years, and it is now settled. The lands in question will be the property of and be administered by the federal government. I hope that all the lands which come under the control of the Depart-

ment of the Interior will be disposed of, leased or put to some useful purpose. Those which are required for military purposes will be kept by the Department of National Defence and administered by that department. The others will be treated just as we treat them in the other provinces of Canada.

Paragraph agreed to.

Paragraphs 9 and 10 agreed to.

On paragraph 11.

Mr. BARBER: I would like to ask an explanation of the clause:

—and there shall in addition be reserved and retained by Canada the foreshores and beds of the Fraser river and the Pitt river lying above the eastern boundaries of New Westminster harbour and below lines to be ascertained and defined by agreement at the junction of Kanaka creek with the Fraser river and at the point of the exit of the Pitt river from Pitt lake.

What is the reason for this reservation?

Mr. STEWART (Edmonton): I think it was made at the request of the harbour board in order that they might be assured of control, as they are a federal body. As it is usually contended that the ownership of the land carries with it the ownership of the water they might otherwise have some difficulty, and it was agreed in this particular instance between the provincial authorities and the federal government that those rights should be reserved to the Dominion.

Mr. BARBER: There are many miles of this water which are not navigable. It runs up east of Hell's Gate.

Mr. STEVENS: It is somewhat extraordinary; apparently it runs from the easterly boundary of New Westminster harbour up the river for about 150 miles. It takes in the whole of the Fraser canyon which is not navigable but in which there is a great deal of placer mining. The deposits are renewed from year to year; at low water they work the various bars and deposits which come down during the freshet period. Consequently that placer mining would be retained under the control of the Dominion.

Mr. STEWART (Edmonton): I must confess that I have never discussed this part of the agreement. I do know about New Westminster harbour; I know the territory of the Fraser canyon, but I really cannot say—

Mr. FRASER: Would the matter of power have anything to do with it?

Mr. STEWART (Edmonton): If it did there would be all the more reason why the province should have it.

Mr. STEVENS: Exactly, because they received the power by special act of parliament in 1913.

Mr. FRASER: What about the mining rights? For instance, we lease certain areas to dredging companies at say $50 or $100 per mile. If you are to transfer the ownership of the bed of the river from the province to the Dominion, what are you going to do about the mining leases? Are you going to introduce a set of mining regulations to apply to say 150 miles of the Fraser river and to no other part of British Columbia? What about the small mining man? From Hell's Gate to Lytton—and this extends almost to Lytton—we have a number of small miners who make a little money by rocking on these bars and benches during the low water period. What about miners' licences and leases; are you to take them away from the miners and substitute federal mining regulations for provincial regulations over this area? I may tell the minister that quite a number of men will be affected if that is done. There are many mining claims of all kinds along the Fraser river above Hell's Gate, and I might almost say from Yale and Hope, all the way down the river. We know very well that the bars at Yale and Hope were very prolific gold bearers in the old days, and some of them may be worked for gold in the future.

Mr. STEWART (Edmonton): I cannot give my hon. friend the reasons to-night; I will get them for the house before this measure is given third reading and ascertain why these foreshore rights are retained. As I say, I knew of the grant to the New Westminster harbour board; that right was conceded them, but I am not familiar with this particular clause, and I would much prefer to ascertain why it is here and give the answer to-morrow.

Paragraph agreed to.

On paragraph 12.

Mr. BARBER: I should like an explanation of the rights of the Canadian Pacific Railway Company throughout this dyking area. Have they some rights now? Why is this provision inserted?

Mr. STEWART (Edmonton): This was put in at the request of the Canadian Pacific Railway Company. If I remember rightly there are one or two very small parcels of land which have not been patented to the Canadian Pacific Railway Company, and they have some further claims of some sort. This provision is inserted to protect them when the ownership is transferred to the province.

Mr. BARBER: Right of way property?

Mr. STEWART (Edmonton): Something about the right of way, some small portion that has not been completely patented from the crown to the company.

Paragraph agreed to.

Paragraph 13 agreed to.

On paragraphs 14 to 20.

Mr. STEVENS: I should like to ask the minister one or two questions in this connection. I think this is the clause which appears in the other bills?

Mr. STEWART (Edmonton): Yes, they are all the same.

Mr. STEVENS: I am not questioning the form, but I should like some information as to its application. If I am not mistaken there are some parks in British Columbia now belonging to the province which are being transferred to the Dominion for national park purposes outside of the railway belt and Peace river block. Is that correct?

Mr. STEWART (Edmonton): No. It was intended to take in a portion of land west of Mount Assiniboia, to include Mount Robson south, and a small portion west of the Waterton lake area, but the provincial government felt that the transferring of all their rights, mineral and otherwise, in these parks would not warrant their giving us a larger extent of territory than we now have in the railway belt, and for that reason they desired more time for consideration before agreeing to transfer to us these areas I have mentioned, as well as another park at sea level which is still in question. I do not think there is any doubt that we will come to an arrangement about these areas as well as the sea level park, but at the moment they are not in question.

Mr. STEVENS: If I recall correctly, some years ago there was a dispute as to the right of the Dominion to the minerals in the then existing national parks in British Columbia and I think in the railway belt as well. Was that question settled by legal procedure; if not, how was it settled, and what was the settlement?

Mr. STEWART (Edmonton): The province asserted its right at Field, for example, which was a mine in question where they had issued a lease and were getting whatever returns were to be had. The dispute was going on in the meantime, but under the agreement all the minerals in the park now will come to us. I have no knowledge of any settlement of the matter by the courts, and I have no recollection of its ever having been referred to the courts. It just remains in that rather unsatisfactory condition, with the province asserting its claim to the minerals, which claim is disputed by the federal government.

Mr. STEVENS: Then assuming there was no settlement, does this clause now confirm the right of the Dominion to the minerals in the parks?

Mr. STEWART (Edmonton): Yes, but with the proviso that the federal government have made it abundantly clear that they do not desire to exploit the minerals or water powers in the parks. They propose to keep these parks inviolate as playgrounds, wild life sanctuaries, as nature created them, for the benefit of the people of Canada, and are ready to spend money on the parks for that purpose. If it develops that there are areas in the parks where mineral belts may extend, and if it is found that these belts are very valuable, the arrangement provides that these areas will be taken out of the parks and retransferred to the provinces for their own purposes, the provinces to enjoy the full benefits of exploitation. It is further provided that if a similar condition should exist in the centre of a park, where it would not be convenient to transfer territory in that way, and if parliament should decide in its wisdom that mineral exploitation should be carried on, then any return from that exploitation greater than may be required for the operation of that particular park will be returned to the province. I should like to make it very clear that as far as the federal government is concerned we do not intend to commercialize the park areas in any way. Rather the reverse is the case; we are absolutely opposed to it. For instance, there is the Field mine, which I understand is rather a valuable property and which we could not very well close, but we do not intend in any way to commercialize park property. We would rather be absolutely clear of that sort of thing and throw such areas outside of the park boundaries altogether for the provinces to exploit.

Mr. FRASER: Does the minister propose to allow prospecting in these areas?

Mr. STEWART (Edmonton): Not if I know it; but unfortunately I do not know it usually.

Mr. FRASER: Supposing a prospector who has a licence which gives him the right to prospect for minerals anywhere in British Columbia goes into your park to prospect. What will you do—throw him out?

Mr. STEWART (Edmonton): No, I would not throw him out; he would have to obtain a licence to develop his property.

Mr. FRASER: What licence?

Mr. STEWART (Edmonton): He could not develop it without a licence.

Mr. FRASER: A licence from the federal authorities?

Mr. STEWART (Edmonton): Yes.

Mr. FRASER: Any mining that is carried on in those areas must be carried on under a licence from the federal government.

Mr. STEWART (Edmonton): It could not be done in any other way. Under the provisions of the parks bill which is to come before the house, he would not be able to obtain his licence until his application came before parliament, and I doubt very much if he would then obtain a licence.

Mr. FRASER: Why is the federal government so insistent upon depriving the province of its mineral rights? Notwithstanding the agreement, I rather resent that attitude. Apparently the government would not complete this arrangement unless the mineral rights were turned over to the federal authorities.

Mr. STEWART (Edmonton): If the federal government is going to spend money upon these national parks for the purpose of preserving them in their natural beauty for the benefit, first, of the people of the province in which they are located, and second, for the people of the whole of Canada, those parks should be kept for that purpose; that is the reason for that provision in the agreement. If they should be more valuable for commercial purposes, then the federal government does not want them. This government has tried to select parks in areas where there was little possibility of mineral development. If a mineral belt should extend into the area of any of these parks, we should be very glad to put that area out of the park boundaries. The reason why we are so insistent that there shall not be any commercial development in the parks is because the great attraction of these areas is the fact that that class of development is absent. The parks are kept just as God and nature left them. The minute that attraction is destroyed the parks lose their usefulness, and the money expended by the federal government is of no avail.

Mr. FRASER: I am not much of a lawyer, but as I understand it these lands are held by the province of British Columbia in trust for the people of that province. Has that province the authority to transfer those lands in fee simple to the federal government?

Mr. STEWART (Edmonton): Of course the province has authority; it has control over its lands. It has authority over the lands outside of the Peace River block and the railway belt just as much as we have authority over other lands, or at least will have that authority when it is given to us by parliament. When the legislature gives the province that authority, it will be able to transfer those lands to us.

Paragraphs 14 to 20 inclusive agreed to.

Paragraph 21 agreed to.

On paragraph 22.

Mr. FRASER: How did you get to number 22, Mr. Chairman? I think you have slipped a cog there.

The CHAIRMAN (Sir Eugene Fiset): Paragraph 22 covers historic sites and bird sanctuaries.

Mr. FRASER: We were discussing section 15.

The CHAIRMAN (Sir Eugene Fiset): When I called the paragraphs dealing with parks, I mentioned paragraphs 14 to 20 inclusive, all being under the heading of parks.

Mr. FRASER: I would like to make a statement regarding paragraph 18. Under the provisions of that paragraph you would be controlling not only the waters in the parks, but those outside the parks. The minister must realize the importance of water in the railway belt. Suppose there should be a piece of land outside the railway belt irrigated by a stream running into the parks; according to my interpretation of this section, you would have control not only of the water in the park but of the water outside. Why has the government been so insistent upon such wide powers regarding the waters?

Mr. STEWART (Edmonton): All we want to do is to control the waters inside the parks. My hon. friend knows that neither we as the crown nor anyone else can dam water or divert it from its natural course. All we are doing is to take control over the waters inside the boundaries of the parks. We cannot deprive a man of any rights which are inherent under the law.

Mr. FRASER: The paragraph reads:

All rights of the crown in any waters within the said parks shall be vested in and administered by Canada, and the province will not by works outside any such park reduce the flow of

water in any of the rivers or streams within the said park to less than the flow which the Minister of the Interior may deem necessary adequately to preserve the scenic beauty of the said park.

Apparently the scenic beauty of the park is to be of more importance than the needs of a man who may be irrigating a piece of land or who may be using water for mining purposes.

Mr. STEWART (Edmonton): This is simply a precautionary measure. There are waters which flow from provincial lands into the parks, and waters which flow from the parks to provincial lands, and this is merely a precaution so that we may not be deprived of our rights in that respect. We have no desire to deprive anyone else of any rights which they may have.

Paragraph agreed to.

Paragraphs 23 to 27 inclusive agreed to.

Schedule agreed to.

Bill reported.

RAILWAY ACT AMENDMENT

Hon. T. A. CRERAR (Minister of Railways and Canals) moved the second reading of Bill No. 124, to amend the Railway Act.

Mr. STEVENS: Is this bill to be referred to a special committee?

Mr. CRERAR: No.

Mr. STEVENS: Will the hon. minister give us an explanation?

Mr. CRERAR: I gave a brief explanation the other day when the bill was introduced.

Mr. STEVENS: Probably we could first go into committee.

Mr. CRERAR: Very well.

Motion agreed to and the house went into committee, Sir Eugene Fiset in the chair.

On section 1—Signatures on certificates may be facsimiles.

Mr. CRERAR: This is a slight change in section 82 of the act to provide that signatures of officers of the company on certificates of shares may be facsimiles when such certificates are signed manually by a transfer agent of the company and the registrar of the shares. It is simply to facilitate the ease with which these certificates, which are very numerous, can be signed. The same provision applies to the signing of bonds issued by railway companies.

Mr. STEVENS: One signature, I suppose, must be manual.

[Mr. Fraser.]

Mr. CRERAR: The signature of officers of the company may be facsimiles when the signatures of the registrar and of the transfer agent are manual.

Section agreed to.

On section 2—Railway on highway.

Mr. CRERAR: This amendment is asked for by the Board of Railway Commissioners. At the present time when a railway passes along or across a highway, compensation may be had. The arbitrators are judges of the courts in the various provinces and they have held that when the Board of Railway Commissioners direct them to hear a case for compensation, by that act compensation has to be given. This is merely to give the arbitrators power to decide whether or not compensation should be given, and, of course, if they decide that it should be given, the amount of such compensation.

Section agreed to.

On section 3—Bell and whistle.

Mr. CRERAR: The explanation of this is very simple. At the present time the act provides that locomotive engines propelled by steam shall be equipped with whistles or other signalling devices. This is simply to enlarge the scope of the section to apply to engines other than those propelled by steam, for instance, gas engines, electrically driven Diesel engines. This also is in accordance with the request of the railway commission.

Section agreed to.

On section 4—Sale of goods.

Mr. GEARY: Why is the time reduced to four weeks in the case of ordinary goods? It is six weeks now.

Mr. STEVENS: Under the old section it was six. This reduces it to four.

Mr. CRERAR: I think under the section as it stands at present, it is six weeks for everything.

Mr. GEARY: Yes, but why for ordinary goods cut the time down to four weeks? There does not seem any good reason.

Mr. CRERAR: I think four weeks is a reasonable time to give to owners of goods. In any case the goods cannot be sold until they are advertised.

Mr. GEARY: In the case of a pawnbroker the time is a year, is it not?

Mr. CRERAR: I could not say as to that.

Mr. GEARY: Have any difficulties arisen?

Mr. CRERAR: The railway companies have experienced losses in recent cases, so I am informed, where they have had to hold the goods in accordance with the old provision. This is simply to facilitate the disposal of unclaimed goods.

Mr. KENNEDY: Live animals are included in this section; there was no mention of live animals before. A farmer in Peace River who was shipping stock to Edmonton had no sooner got the animals in the car than a railway official came up and demanded payment of the freight charges. This clause seems very drastic. It would mean in some cases that as soon as the stock was loaded in the car, the railway company would want to take and sell them.

Mr. CRERAR: That is not contemplated.

Mr. KENNEDY: The clause reads:

If the tolls on live animals . . . . are not paid forthwith on demand.

Mr. CRERAR: That would be after delivery of the goods at point of destination.

Mr. KENNEDY: The clause does not say so.

Mr. CRERAR: This would be governed, I presume, by other sections in the act. It would be unreasonable to expect a railway company to demand the prepayment of tolls on the goods unless that was specified in their contracts.

Mr. KENNEDY: The clause reads:

If the tolls on live animals or goods liable to deteriorate or perish while in the possession of the company are not paid forthwith on demand.

Mr. CRERAR: That means after the goods have reached their destination.

Mr. KENNEDY: That is not stated in the clause. In the case to which I refer the demand was made before the live stock were moved away, while they were in a car in the yard. I think it was at Sexsmith in Grand Prairie. That seems to be exactly what this clause gives the railway company the right to do.

Mr. CRERAR: Were the goods in that case being shipped to Edmonton?

Mr. KENNEDY: Yes.

Mr. CRERAR: That is a new experience to me. A railway company can demand prepayment when the goods are going to a point where there is not a railway agent.

Mr. KENNEDY: I know the man on whom the demand was made, and it caused considerable hardship. There may have been doubt about the matter at that time, but I think that is exactly what this clause gives the railway company the right to do. I do not think it should be passed in this form.

Mr. FRASER: Surely the minister will admit that a railway company can demand payment even before the goods are shipped?

Mr. CRERAR: I cannot say at the moment just what are the express provisions in the act governing that, but I know the practice on the part of railway companies is to ask prepayment where goods are being shipped to a point where there is not a railway agent to collect the tolls. This clause does not deal with such cases. There are in the Railway Act other sections dealing with them. This has relation to the collection of tolls after the goods have reached their destination. There are times when goods are shipped on a railway; they reach the point of destination; they lie there for days or perhaps weeks unclaimed, and this is merely to give the railway company the right to advertise and sell such goods in order that they may dispose of the matter.

Mr. GEARY: Surely if prepayment were demanded the railway company would not accept the cattle until prepayment was made, so that such a case would never arise. In order that this clause may be workable it must apply to cases where tolls are charged after the goods have arrived at their destination.

Mr. STEVENS: There is another interpretation which I think supports my hon. friend from Peace River. Section 4 says:

If the tolls on live animals or goods liable to deteriorate or perish while in the possession of the company are not paid forthwith on demand—

In other words, if the company suspects that there may be some risk in carrying these live animals or goods liable to deteriorate, they can demand prepayment of the freight forthwith.

Mr. GEARY: My point is that if they do demand prepayment and do not take the goods until the money is paid, the provision for resale would never occur, because they cannot sell goods that they have not got. If they do not take the goods, they certainly cannot sell them.

Section agreed to.

Mr. GEARY: If I may revert for a moment to section 2, why is it that provision is made for compensation under the compensation

provisions of the act in the case of private property, whereas later in the section referring to leave being obtained to carry a railway along a highway, the original section is still retained which requires an order of the board before any compensation is payable?

Mr. CRERAR: Section 2 does not take away any of the provisions of the old act in regard to compensation. Under the old section, if the question of compensation arose, the arbitrators held that compensation had to be paid no matter how small it was. What the amendment seeks to do is to give the arbitrators the power to decide whether or not any compensation should be paid, as well as the amount of compensation if any.

Mr. GEARY: But why do you make it provide for compensation to private owners and not to municipalities under the latter part of section 2?

Mr. CRERAR: I do not think that question arises.

Mr. GEARY: Yes; it says:

> Provided that where leave is obtained to carry any railway along a highway the board may require the company to make compensation to the municipality—

And that is determined under the provisions of the compensation section. In other words, you have retained the mischievous clause in regard to public ownership, but not in regard to private ownership.

Mr. CRERAR: We are not seeking to change the clause in that respect.

Mr. GEARY: Why not?

Mr. CRERAR: That question has not come up.

Bill reported, read the third time and passed.

FOOD AND DRUGS ACT AMENDMENT

The house in committee on Bill No. 125, to amend the Food and Drugs Act—Mr. King (Kootenay)—Mr. Johnston in the chair.

Bill reported.

On motion of Mr. Mackenzie King the house adjourned at 10.50 p.m.

Friday, May 2, 1930.

The house met at three o'clock.

PRIVATE BILLS COMMITTEE

Second report of the select standing committee on miscellaneous private bills—Mr. Parent.

[Mr. Geary.]

IMPERIAL ECONOMIC CONFERENCE

CORRESPONDENCE TABLED

Right Hon. W. L. MACKENZIE KING (Prime Minister): The leader of the opposition has requested the correspondence between the government of Canada and the governments of the other nations of the British empire with respect to the holding of an economic conference, and I desire now to table a return in response to that request.

PERMANENT COURT OF INTERNATIONAL JUSTICE

On the order for government notices of motion:

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I say that the first two resolutions under government notices of motion are more or less formal matters? If hon. gentlemen would like to have them stand over until later I have no objection; otherwise I think it would be well to proceed with them at once.

Sir GEORGE PERLEY: Perhaps they had better stand until the leader of the opposition is here.

Mr. MACKENZIE KING: Very well.

Mr. SPEAKER: Stand.

QUEBEC CITY WATER SUPPLY

On the orders of the day:

Mr. H. E. LAVIGUEUR (Quebec-Montmorency): Before the orders of the day are called I should like to direct the attention of the house to an article which appeared in the Chronicle Telegraph of Quebec city under date of Wednesday, April 30, under the heading:

Shipping Puts City's Water On The Blacklist
City Water Below Standard For Use Of Ships; Name Of Quebec Stricken From List

The article itself is headed:

Deputy Minister Of Health Gives City Bad Shock
Hon. J. A. Amyot Explains to Board of Trade Reasons for Withdrawal

The article proceeds as follows:

> Quebec's water supply does not meet the requirements of the law governing the use of water aboard ships, and as a result this port has not been included in the list published by the Dominion Department of Health of ports where interprovincial and international vessels may take on water.
>
> These facts were learned by Quebec Board of Trade, which discovered that Quebec's name was not on the list of ports where vessels might take on water, and wrote to Dr. J. A. Amyot, deputy minister of health at Ottawa,

to find out why. The reason was given in a reply to the board's letter, read at a meeting of the council of the Board of Trade last night. Mr. A. G. Penny presided.

The following is the text of the letter received by the board of trade from Doctor Amyot:

Mr. H. Loudin, Sec.,
Quebec Board of Trade.

Dear Sir:—

Replying to your inquiry of April 12th, as to why the water supply available at the docks of the city of Quebec is not included in the list of water supplies of standard quality available at ports on the St. Lawrence river, section I of the regulations concerning water for use aboard common carriers in interprovincial and international traffic requires, that,—"water furnished for use aboard common carriers for drinking and culinary purposes shall at all times be a potable water free of pathogenic bacteria and shall comply with the standard for drinking water and culinary water, namely: shall not contain organisms of the colon group in excess of 2 per 100 cc. of the water determined by the presumptive test as adopted by the American Public Health Association in their standard (current) method of bacteriological examination of water. (Phelps' method of calculating)."

As the water supplies available at the city of Quebec have for a considerable period failed to comply with the above standard it has not been possible to place Quebec on our approved list.

Yours very truly,
J. A. Amyot, Deputy Minister.

Mr. Speaker, this letter is nothing less than a conspiracy against the city of Quebec. It may be a fact that the water supply of the city of Quebec has not been up to standard for the past year, but that city intends to spend $2,000,000 in order to improve the water supply. That fact should have been known to the department and it should have been considered before such action was taken. I regret very much that this action was taken without any notice being given. This letter was addressed to the board of trade and it has received publicity just at a time when a considerable tourist trade may be expected.

Mr. HANSON: Do the tourists drink water?

Mr. LAVIGUEUR: Some of them do.

Mr. SPEAKER: The hon. member should confine his remarks to the article in question.

Mr. LAVIGUEUR: I would like to hear from the hon. Minister of Health (Mr. King) as to whether or not it is his intention to remedy this grievance by putting Quebec upon the list of ports where good water may be obtained. The Canadian Pacific Railway is using our water now.

Hon. J. H. KING (Minister of Pensions and National Health): Mr. Speaker, under an international agreement we, as a department, are supposed to protect the water supply on the inland waters, and on international waters adjoining Canada. Through the provincial government laboratories in Ontario and in Quebec, the water supply used by shipping on the St. Lawrence and on the great lakes is tested. We have been fortunate in having checked any typhoid outbreaks aboard these ships. On April 30 of this year we advised the shipping companies that good water could be secured at Montreal, Levis, Lauzon and Three Rivers, these ports being on the St. Lawrence. The Quebec government had advised us that the water at Quebec contained a large number of colon baccili and was not considered to be safe water to be used by the steamships.

Mr. RYCKMAN: It is all right for the Canadian Pacific Railway ships.

Mr. KING (Kootenay): The Canadian Pacific Railway is not using this water. On April 11 the secretary of the board of trade wrote to the deputy minister complaining that in our advice to the shipping companies as to where they could obtain good water the port of Quebec had been left off the list and inquired why this was done. The deputy minister replied to that letter, advising that such notice had been given to the steamship companies. The water supply at Quebec is purely a municipal matter, and I understand from the mayor of that city, the hon. member who has just spoken (Mr. Lavigueur), that it is the purpose of his council to expend some $2,000,000 in improving the water supply. As soon as that is done and the water supply is approved, no doubt the ships will be glad to take on water at that point. Until that change is made, we as a department must advise the steamship companies as to where they can obtain a proper water supply.

BITUMINOUS COAL

FREIGHT RATES FROM EASTERN BRITISH COLUMBIA AND ALBERTA TO MANITOBA

On the orders of the day:

Mr. G. G. COOTE (Macleod): Mr. Speaker, I would like to ask the Minister of the Interior (Mr. Stewart) if he is in a position to give a statement regarding the application made by the bituminous coal operators in Alberta for a subvention on the freight rate on coal to Manitoba points.

Hon. CHARLES A. STEWART (Minister of the Interior): The government is not yet in a position to give any definite answer regarding this matter.

TELEGRAM FROM MAYOR OF FERNIE

On the orders of the day:

Mr. W. K. ESLING (West Kootenay): Mr. Speaker, I would like to call the attention of the government to the contents of a telegram which I received from the mayor of Fernie. Until a few months ago the coal mines at Fernie were shipping to the United States some 60 cars of coal per day. Those shipments have been discontinued, and the result has been that 400 miners have been thrown out of employment, while the remaining miners are employed only for part time. This telegram urges the government to contribute toward the long haul freight cost on shipments to Manitoba to offset the competition of American coal. It is indicated that unless something is done before winter the situation will become much more serious. I take it for granted that when a statement is made by a minister of the crown it is necessary—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I would ask the hon gentleman to read the telegram to which he referred.

Mr. ESLING: I would like to ask the Minister of Pensions and National Health (Mr. King), who represents this district, if he will reconsider his opposition to a contribution being made to the long haul freight cost.

Hon. J. H. KING (Minister of National Health): I object to my hon. friend making the statement that I offered any opposition to a contribution being made. No such statement has been made by me, and my hon. friend is playing pretty cheap politics.

RUSSIAN ANTHRACITE COAL

On the orders of the day:

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I would like to inquire if the government is in a position to make a statement regarding the importation of Russian anthracite coal. I understand a question covering this point was asked some time ago.

Hon. CHARLES A. STEWART (Minister of the Interior): That matter would come under the Department of Trade and Commerce. However, I will look it up and try to find out why an answer has not been given.

Mr. GARLAND (Bow River): I trust that the hon. minister or the Prime Minister (Mr. Mackenzie King) will bring this matter to the attention of the Minister of Trade and Commerce (Mr. Malcolm).

[Mr. C. A. Stewart.]

NATURAL RESOURCES

AGREEMENT WITH ALBERTA

Hon. CHARLES STEWART (Minister of the Interior) moved the third reading of Bill No. 17, respecting the transfer of the natural resources of Alberta.

Motion agreed to and bill read the third time and passed.

AGREEMENT WITH SASKATCHEWAN

Hon. CHARLES STEWART (Minister of the Interior) moved the third reading of Bill No. 58, respecting the transfer of the natural resources of Saskatchewan.

He said: I have just been asked to make a short explanation covering Saskatchewan in order that the information may be on Hansard. Some question arose as to the rights of the lessee on lake Manitou, and I propose reading what Colonel Biggar, who has been advising us in these matters, has been pleased to send me as reply:

As to water rights, I am informed that when the agreements were negotiated it was understood by all concerned that these passed to the province as completely as all other interests of the crown, and that is my present understanding. Water rights like all other rights, merely continue to be administered under Dominion legislation until other provision is made by the provincial legislature, and the minister undertakes that no water right is granted unless and until there is a very definite and binding undertaking that the rights of the public will be protected with respect to lake Manitou.

Motion agreed to and bill read the third time and passed.

AGREEMENT WITH BRITISH COLUMBIA RESPECTING RAILWAY BELT AND PEACE RIVER BLOCK

Hon. CHARLES STEWART (Minister of the Interior) moved the third reading of Bill No. 41, respecting the transfer of the railway belt and Peace River block.

He said: Before this bill is read a third time, I think in fairness to members of the opposition I should give some information that I was to secure for them. I see the hon. member for Vancouver Centre (Mr. Stevens) is not in his seat, but I can put the information on Hansard with reference to the foreshore rights in the Fraser river. Upon inquiry I find that the harbour board of New Westminster made application for the foreshore rights from Douglas island to tidewater. That was refused, but foreshore rights were granted to them to two miles west of Annacis island and in addition the foreshore rights were granted on the Pitt river some twelve miles easterly from the junction with the Fraser

and ten miles in the Fraser river. The harbour commission of New Westminster apparently were able to convince the provincial authorities that this was necessary to protect them in connection with harbour purposes.

In answer to the hon. member for Cariboo (Mr. Fraser) in regard to ordnance lands, the tract of 100,000 acres mentioned by him as being in the Chilcoten valley was exchanged for Point Grey property which was granted to the provincial government for university grounds and other purposes, and is still controlled by the Department of Defence. It has not yet been transferred to the Department of the Interior.

With reference to the boundaries in regard to which the commission is set up and provision is made in the agreement, the commisison is simply to decide what the boundaries of the present areas of ordnance reserves will be. They are not definite nor well defined and the commission was set up for that purpose.

With reference to the other matter that we discussed, that is as to whether or not there could be exchanges, I am informed by our officers that that matter was not discussed in the negotiations with the officers of the provincial government, so that I was somewhat in error in making the statement that exchanges could be made. The commission is set up simply for the purpose of defining the boundaries of ordnance lands already set aside.

Mr. FRASER: Might I ask the minister a question in regard to foreshore rights? The paragraph in the agreement says that the foreshore rights are reserved to the federal government as far up as Kanaka creek. That is eight miles from Lillooet, or 150 miles up the Fraser river. That does not correspond with the statement the minister made a moment ago.

Mr. STEWART (Edmonton): I think my hon. friend must be in error, because according to the map I have in my hand there is a Kanaka creek about twelve miles up the Fraser river, and that is the one mentioned because I have gone into the matter thoroughly with the officers of the Department of Marine and Fisheries and they say that is required. The hon. member for New Westminster (Mr. McQuarrie) who at present is not in the house, is anxious, I understand, that we should introduce legislation confirming this agreement as he claims, so I am told, that it is very necessary for the protection of New Westminster harbour and any new development in connection with it. The creek mentioned by my hon. friend (Mr. Fraser) is at least 150 miles up the river, but that is not the one referred to. The latter is about twelve miles up.

Mr. FRASER: The agreement is clear that the bed of the Fraser river and the foreshore of the Fraser river up to Kanaka creek are reserved to the federal government. That takes in a good deal more area than the minister has stated.

Mr. STEWART (Edmonton): I have gone into the matter thoroughly with the officers who have negotiated the agreement, and this is a creek twelve miles or slightly more, up the Fraser river from its junction with the Pitt river.

Mr. FRASER: Then I am to understand that the minister and I are not referring to the same Kanaka creek?

Mr. STEWART (Edmonton): Yes.

Mr. FRASER: The one to which the minister refers is twelve miles up the Fraser river?

Mr. STEWART (Edmonton): Yes.

Hon. E. B. RYCKMAN (East Toronto): Mr. Speaker, before this bill receives third reading I desire again to emphasize the fact that it appears to be grotesque and absurd that the parliament of Canada should seek to give itself a jurisdiction which it has no power to do. I feel satisfied that as the implications of paragraph 16 of the agreement are so broad, there will certainly be occasions when this paragraph will be called in question. The fact that parliament is attempting to do what I submit it has no right to do, will be a matter of great concern to those who are directly involved, that is as between the Dominion of Canada, the province of British Columbia and those who may be charged as failing to observe regulations that may be imposed by the parliament of Canada. Therefore, the law officers of the crown ought to consider the situation very carefully and to avoid the possibility of trouble, likely to result in great injury to individuals, to the province of British Columbia and to the Dominion of Canada, safeguards should be provided in any validating act. I raise this objection because I feel satisfied, if nothing more is done, just as sure as morn succeeds the night, we are going to have trouble over this paragraph.

Hon. LUCIEN CANNON (Solicitor General): I may say the point does offer certain difficulties. These difficulties were indicated to a certain extent by the leader of the opposition (Mr. Bennett) and also by my hon. friend who has just spoken. I may assure the house that as regards whatever legislation may be necessary to put into effect these new relations as between British Columbia and the Dominion,

every possible weight and consideration will be given to the suggestion offered by hon. gentlemen opposite.

Motion agreed to and bill read the third time and passed.

FOOD AND DRUGS ACT AMENDMENT

Hon. J. H. KING (Minister of Pensions and National Health) moved the third reading of Bill No. 125, to amend the Food and Drugs Act.

Motion agreed to and bill read the third time and passed.

WAR VETERANS' ALLOWANCES

The house in committee on Bill No. 19, respecting war veterans' allowances—Mr. King (Kootenay)—Mr. Johnston in the chair.

On section 1—Short title.

Hon. J. H. KING (Minister of Pensions and National Health): I might, in explanation, say that this bill after its second reading was referred to a special committee dealing with soldier matters. It has there been fully considered and now comes back to the house with certain changes made here and there, but for the most part the measure remains as it was when introduced on March 4th. I want to state definitely that this bill has nothing to do with pensions, and it must not in any way interfere in the slightest degree with a man's right to claim and the country's obligation to give an adequate pension for war disability.

The chief changes made by the committee have been that the first clause is wiped out, being considered unnecessary. The age limit has also been changed from sixty-five as in the original bill to sixty. The clause dealing with administration has also been changed, a committee being proposed that will administer outside of departmental control. The section dealing with allowances has also been amended. I think that the committee finally concluded that casual earnings should be exempted. Those are the principal changes that have been made in the bill, and as far as the government is concerned we concur in the amendments that have been made by the committee, and are pleased that the members of the committee were able to come to an unanimous conclusion.

Section agreed to.

Section 2 agreed to.

On section 3—War veterans' allowance committee.

Mr. ROSS (Kingston): Would the minister read the amendment?

[Mr. Cannon.]

The CHAIRMAN: The amendments are not marked in the copy of the bill that I have, but section 3 is printed as amended, and reads as follows:

(1) The war veterans' allowance committee shall consist of three members to be appointed by the governor in council, one of whom shall be appointed chairman and shall receive a salary of six thousand dollars a year and the other two of whom shall receive each a salary of five thousand dollars a year; provided that the governor in council may appoint, to be additional members of the committee, the deputy minister and, as his alternate, the assistant deputy minister, and one other person who is not on the staff of the department.

(2) Two members of the committee shall constitute a quorum.

Mr. MANION: It might be of interest to the house, particularly to those who were not on the committee, if I explained what the real difference is. The original clause provided that the administration of this act should be left to a committee made up of officials of the department. The special committee that considered this bill was of the opinion that there was a certain risk of such a committee becoming more or less political; I do not mean under this government more than under any other government, but it was felt that there was that risk, and the proposal was therefore made and adopted by the committee that an independent committee such as is now proposed should administer the act. While there will still be a representative of the department upon that committee, either the deputy minister or the assistant deputy minister, the other three commissioners, to call them such, will be entirely independent of the department. The object is to ensure that the committee will be independent.

Mr. SPENCER: Who will appoint these commissioners?

Mr. MANION: The governor in council. The appointments are political, but not the committee.

Mr. HANSON: What is the underlying reason for enlarging the personnel of the commission? Is it to exercise further departmental control?

Mr. KING (Kootenay): Personally I have not changed my mind in regard to the question of administration. As I explained to the house when I introduced the bill, this is largely a departmental matter and I felt that the administration would be more effective if it were carried on by departmental officials who are now in the department and in the civil service of this country, and who are dealing from day to day with returned soldiers.

This would be merely an extension of the work which they are now doing. We have dealt with hospitalization, vocational training, treatment and relief, and vetcraft shops all over Canada for the last twelve years, and there has never been any question of political interference. These officers have always tried to do their work, and taking it all in all I think that they have done it very well. The opposition members, however, rather objected to a departmental committee, and in the special committee the matter was thoroughly threshed out, and personally I am satisfied to accept the unanimous conclusions of that committee. As regards the deputy minister and the assistant deputy minister, I think that there is a very good reason for including them because we are going to administer this act with the machinery that we now have, and I do not think that it would be wise or that anyone would propose that new machinery should be set up throughout Canada for administration. The services of the Department of Pensions and National Health will have to be given to this independent committee. The idea in associating the deputy minister with the assistant deputy is to give that contact between the department and the committee. I think that is the real explanation in regard to it.

Mr. ERNST: The only objection I see to reducing the quorum from three to two members is that it might be possible for the assistant deputy minister and the additional person, who is not on the staff and is to be named by the governor in council, to constitute themselves a quorum to deal effectively with cases without consulting the other members of the committee. It opens that possibility.

Sir EUGENE FISET: The act specifies the minister or the assistant deputy minister, and there is a fifth member to be chosen by the legion itself. The quorum was reduced from three, as proposed, to two because the commission is composed of three permanent members, and what we had in mind was that two of these could form a quorum.

Mr. ERNST: Two of the three permanent members?

Sir EUGENE FISET: Exactly.

Mr. ERNST: It does not say so.

Mr. ROSS (Kingston): The committee felt in regard to the first proposal that the deputy minister should not have any further work imposed on him as chairman of this board. Therefore we considered that it would be better to have three independent members who would actually administer the act, but that as a liaison officer there should be some person from the department. It was felt that at all sessions it would be absolutely necessary for those three paid members to be present and that two of them should form a quorum. It does not debar some person in the department with experience and knowledge of this work being appointed to the commission; but in such case he would have to resign his position in the department and become a paid member of the commission.

Mr. THORSON: In reply to the question asked by the hon. member for Queens-Lunenburg (Mr. Ernst) this explanation might be offered. I do not think there would be any objection to the quorum being constituted of either the deputy minister or the assistant deputy minister and the other person who is referred to in subsection 1 of section 3. That other person was suggested by General Sir Arthur Currie as an honorary member of the committee more or less to supervise and check over its work. So that if the quorum did consist of the deputy minister on the one hand and this honorary member of the committee on the other, there would be the most careful check over of the work of that quorum. The reason for having a quorum consisting of two was that there might be several quorums operating at the same time whose duties might necessitate a certain amount of travel.

Mr. ADSHEAD: Mr. Chairman, as a member of the committee might I suggest to the minister that the regulations to be drawn up should include a rule that the attendance of the members be recorded. I think that is very essential, because no such record has been kept of other board meetings, and we had no idea what service the paid members had given. I think it is very essential that such a record should be kept.

Mr. KING (Kootenay): I will keep that in mind when the committee is organized.

Mr. HANSON: I think it should be made absolutely clear in the legislation that the two members constituting a quorum shall be the two salaried officers; but you have not provided for this in the bill. It could be made clear by a simple amendment.

Mr. KING (Kootenay): Colonel Biggar drew this amendment and he advised the committee that it was properly worded. I see no objection to the suggestion; in fact I imagine that is the course which will be followed. You have paid a commission, and then you have honorary members. The decision will surely be given by the paid commissioners, and two of them will form a quorum.

Mr. HANSON: Not as the section is drafted.

Mr. MacLAREN: A quorum of two may appear small to this committee, and I think it is small, but, as just said by my friend on the opposite side (Mr. Thorson), the real reason for constituting two as a quorum was that some members of the commission will probably be travelling through various parts of the country—

Mr. KING (Kootenay): They will.

Mr. MacLAREN: —and in that event a quorum of two would be sufficient. There is also this safeguard, that in the event of a quorum of two coming to any decision, it could always be reversed by the full board.

Mr. THORSON: Yes.

Sir GEORGE PERLEY: The minister, as I understand, is desirous that two of the salaried members of the committee should form a quorum.

Mr. KING (Kootenay): I would naturally assume that, although my hon. friend from St. John-Albert (Mr. MacLaren) has thrown a new light on it—the members will have to travel a great deal.

Sir GEORGE PERLEY: Two honorary members and two salaried members might hold meetings simultaneously. If the minister said that two of the salaried members of the committee should constitute a quorum, it seems to me it would be quite in order, but to say that two members of the committee shall constitute a quorum leaves it open for two meetings to be going on at once. I do not think that is the intention of the minister.

Mr. KING (Kootenay): I would hesitate to amend the section. As the member for St. John-Albert informed the house, the committee gave thought to that feature. They realized that there will be travelling by the paid members of the committee, and that two members might be away from Ottawa for a considerable period during which it would be essential that certain routine matters should be attended to. In that case you would have one member in Ottawa who could not act unless he called in the deputy or assistant deputy. I think the section had better be left as it is. If the paid members are here in Ottawa, naturally they will form a quorum; but if the proposed amendment was made, business might be held up for some time to the detriment of the veterans. However, I would rather hear the views of the committee at the present time than express my own opinion.

Mr. RYCKMAN: I was not a member of the committee, but if the minister wishes to arrive speedily at a clarification of the section, he could do so by amending it to read that two members of the committee, one of whom shall be a salaried member, shall constitute a quorum.

Mr. MANION: I was one of the members of the committee and was present at practically all the meetings. With reference to our intention as expressed by the member for St. John-Albert, we did discuss the personnel. I was one of those who did not believe in the original proposition of the minister, I preferred the section as we have it to-day, and most of the other members after talking it over thought likewise. The purpose was to give an opportunity for travel, and so far as the danger of one of these members of the committee in association with the deputy minister or the assistant deputy minister is concerned I do not think there is any harm in taking whatever risk there may be. My reason for saying that is that three of the members of the committee are paid members and the fourth member is there in an honorary capacity and is recommended by the war veterans themselves. The only member associated with whatever government may be in power is the representative of the department. He himself could do nothing except with the consent of one other member. He would have to have the consent of the honorary member or of a paid member and after all if those two members did happen to do something that was not quite right the others could over-rule him. It is my opinion that the arrangement as it is presently proposed and without any amendment should be satisfactory to all concerned. It will give the best service to the returned soldiers and that, after all, was the desire of the committee.

Section agreed to.

On section 4.—To whom allowances paid.

Mr. HANSON: I would like to ask the minister who is to determine the question of permanent unemployability, and how it is to be determined.

Mr. KING (Kootenay): It will be the duty and function of the board to develop machinery whereby they can ascertain the employability of the individual who has made application. It is a matter of detail which will have to be worked out by the board from time to time.

Mr. HANSON: The minister has no further information than that?

Section agreed to.

Section 5 agreed to.

On section 6—Maximum allowance to a married man or widower with children.

Mr. HANSON: I was not a member of the pensions committee and I have never seen a statement of the cost to the country of this legislation. I think that information should be given as fully as possible. We should also know if the estimate is calculated on an actuarial basis.

Mr. KING (Kootenay): The departmental officers did appear before the committee with statistical data based on actuarial findings. The cost will vary from year to year; in the first year it will be about $2,000,000. The peak will be reached in twenty-eight years; the cost in the last year of that period will be $18,000,000. From that time it will gradually decline and run out. When we reach the peak the pensions obligations will have been decreased very materially; it will take about fifty years for this plan to run its course.

Mr. HANSON: Fifty years.

Mr. KING (Kootenay): Yes.

Mr. HANSON: Is that estimate based on a sixty year limitation or a sixty-five year limitation?

Mr. KING (Kootenay): Sixty years.

Section agreed to.

On section 7—Certain deductions not to be made.

Mr. NEILL: I would ask the minister to explain the words "additional pension". Does that mean the ordinary pension under the Pension Act or is it some special kind of pension?

Mr. KING (Kootenay): That is under the ordinary Pension Act; it applies in the case of a man who receives a five per cent or a ten per cent pension.

Mr. NEILL: Why is the word "additional" used?

Mr. KING (Kootenay): Sometimes pensions are refused and added to by the Board of Pension Commissioners.

Mr. NEILL: It continues to be a pension. Why not say, "any pension"? The word "additional" suggests some special allowance. If it is a pension it is simply a pension under the Pension Act and I cannot see the advantage in using the word "additional." I wish to have it clear.

Section agreed to.

Sections 8 to 20 inclusive agreed to.

Bill reported.

Mr. SPEAKER: When shall the bill be read a third time?

Some hon. MEMBERS: Now.

Mr. MANION: It does not hurry the bill a particle by reading it now and it would not delay its passage to wait until the next sitting of the house. I think it should take the ordinary course of events.

Mr. SPEAKER: Next sitting of the house.

MILITIA PENSION ACT AMENDMENT

Hon. J. L. RALSTON (Minister of National Defence) moved the second reading of Bill No. 43, to amend the Militia Pension Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Adjustment of pension of certain officers.

Mr. ROSS (Kingston): I wish to move an amendment to section 4, by adding thereto the following subsection:

4 (a). An officer who retires voluntarily after ten years' service and is not pensionable shall receive a refund of all sums deducted from his pay and contributed by him for pension.

Section 5 of the Civil Service Superannuation Act, which is chapter 24 of the Revised Statutes of Canada, provides that a civil servant withdrawing from the service may be given a withdrawal allowance equal to his contributions if he has been in the service ten years or over. Under the existing Militia Pension Act it is the law that officers must contribute 5 per cent of their pay to the pension and retirement fund before becoming pensionable, but if they retire voluntarily their deposits are forfeited. I want to correct that unfair situation. An officer who has served over ten years and who retires voluntarily should receive the amount he paid in.

The CHAIRMAN: The amendment states that section 4 is to be amended, but there are only two sections in the bill.

Mr. ROSS (Kingston): This refers to section 4 of the existing act. This will have to be a new section of the bill.

Mr. RALSTON: My hon. friend was good enough to submit to me a copy of the amendment which he has just moved, and I have had an opportunity to consider it with the officers of the department and to compare the superannuation act with the Militia Pension Act. I know it is my hon. friend's desire to do full justice to those who will be affected by his amendment, and I assure him that I am equally impressed with that duty and that responsibility, but I regret that I must say to him and to the committee that I cannot accept the suggested amendment. In short, his amendment provides that anyone who has served in the permanent force for ten years may voluntarily retire and receive the contributions which he has made towards his pension, and my hon. friend bases his argument on the fact that a civil servant may do the same thing.

I want to point out to my hon. friend in the first place that there is in the Militia Pension Act now a provision that if an officer has served for ten years and by reason of mental or physical incapacity it becomes necessary for him to retire after that period, he is not simply entitled to draw out the amounts he has paid in to the pension fund but is entitled to a gratuity based on a certain scale set out in the act. He is also entitled to compensation if he is retired compulsorily, but I cannot favour permitting officers to enlist and serve for ten years and then, on their own volition, retire to draw out their pension contribution. The reason is quite apparent, as I think the committee will see; a great deal of money is expended by the country on the training of officers in the early stages of their military careers. I do not say they do not give value for the pay they receive, but at the same time it is not in the interests of the service that just when they become useful in connection with the training of other men they should, by reason of some opportunity which may be offered them in commercial life, withdraw with a pecuniary advantage and take up their new occupation having received the benefit of the training they have been given. The position is somewhat different from that of the civil servant.

The other point, upon which I do not wish to dwell, is that these two acts are not based on exactly the same principles. There are provisions in the Militia Pension Act which are more favourable to the beneficiaries than are the provisions of the Civil Service Superannuation Act, particularly with regard to the counting of service. So I would ask the hon. member to consider that point when he suggests that these two acts should be put on the same basis. If that is done certain advantages now accruing to those who come under the Militia Pension Act would have to be given up in compensation for certain advantages which they might receive by having the provisions of the Civil Service Superannuation Act apply. The two acts are not on the same basis and I do not think it would be in the interest of the public service to attempt to put them on the same basis, because we are considering two entirely different sorts of service.

[Mr. A. E. Ross.]

The CHAIRMAN: Perhaps we might proceed regularly by adopting section 1 first.

Section agreed to.

Section 2 agreed to.

The CHAIRMAN: The hon. member for Kingston (Mr. Ross) moves that the following be added as section 3 of Bill 43:

An officer who retires voluntarily after ten years' service and is not pensionable shall receive a refund of all sums deducted from his pay and contributed by him for pension.

Mr. ROSS (Kingston): I listened with a great deal of interest to what the minister said, and I think he put the best complexion he could put on the matter. However, there is another side to it which he has not touched. Take the case of an officer who served for ten years, during which time he proved to be unsuited to the service or unfitted for it in some way; the department decides that he is not a useful member of the service and they retire him. He receives what he has contributed to the pension fund.

Mr. RALSTON: I think they give him a gratuity.

Mr. ROSS (Kingston): The man who is not fitted for the service gets back his contribution to the pension fund and receives a gratuity as well. On the other hand, a man serves for ten years and proves to be a useful officer; if he desires to take up some other occupation he is let out of the service and his contribution is retained in the fund, while his gratuity is also lost. That is the unfair part of it and that is what I want to correct. Certainly it does not encourage good men to come in if we say, "Well, after ten years you can go out of the service and we will keep the money you have contributed."

Mr. MANION: I have not discussed this matter with anyone and really did not understand it until I heard it discussed this afternoon. I do not for one moment question the reasons given by the minister, but at the same time I feel an injustice is done in carrying out the provisions of the act as apparently

they have been carried out in the past and as the minister proposes to continue in the future. After all, the militia officer earns the salary he gets, or is supposed to earn it, at all events. Part of that salary is taken from him as a contribution to the government for the time being, ultimately to be combined with some other money contributed by the government for a pension. It appears to me that really the government is taking his money. He may get some other compensations as the minister suggests; I do not know as to that, but it seems to me the money contributed for pension is distinctly this man's money, and that in justice to him he should get back that money if he feels it necessary for his own advancement or for family reasons to leave the service. While this is the first time I have heard this question discussed, on a number of occasions I have learned of similar regulations in other branches of the service, where men have made contributions to the pension fund and have not been allowed to get back their money. I think these men should receive that money in all cases, because it is their money. Without going further into the question I think the hon. member for Kingston is on very solid ground, and I should like to see the minister concede the point, which seems only just.

Mr. RALSTON: I fully appreciate the arguments of the hon. members for Fort William (Mr. Manion) and Kingston (Mr. Ross). If their contention is correct, it means that the money deducted from an officer's pay is still his money. Everyone admits that it is not his money if he has had for instance only eight years of service. In that case that money remains in the common pool for the payment of pensions. This money does not become the officer's until such time expires as under the act entitles him to receive a pension. It is nothing less than group insurance. I understand the hon. member for Kingston desires to make it a little easier for the man to get that money back, but I think he understands much better than I do, having been in the service for a longer period, that a man should not be allowed voluntarily to withdraw from the service with a financial advantage. I do not think he should be allowed to take his pension contribution unless he has completed the term of service provided for in the act.

If a man is found to be unsuitable, I can assure my hon. friend that we will not wait until he has completed ten years of service before discharging him. If a man is unsuitable it will be probably found out within five years, in which case there would be no reward paid such as is suggested by the hon. member for Kingston. Another point is this: a pension is in lieu of employability; it is for the purpose of providing for the man who is not otherwise employable. A man who has spent time in the service and is unemployable perhaps is more entitled to a pension than the man who may be perfectly independent in every way but who simply leaves the service to better his own position in life.

In the interests of the service I cannot accept my hon. friend's amendment.

Mr. ROSS (Kingston): I think the hon. minister is quite sincere, but I do not agree with him that this thing is 100 per cent agreeable to all the officers in the service. I cannot agree with his statement that advantage has not been taken of this clause and of other amendments which have been added to the Pension Act. Favours have been granted to those who, in the opinion of the minister of the department—I do not refer to the present minister—were not entitled to them. I think it is fair to a man who has given ten years of service that he should receive back only the money he has contributed without any interest.

Mr. BLACK (Yukon): The officers and men of the permanent force are, after all, civil servants; they are in the employ of the government and of the country. The amendment moved by the hon. member for Kingston (Mr. Ross) simply seeks to give the retired officer who has put in ten years of service the same rights granted to other civil servants who retire voluntarily. The member of the permanent force should have the right when he leaves the service to withdraw the deposit which he has made towards superannuation or pension, whatever you choose to call it. It seems to me vastly unfair to discriminate against the members of the permanent force. From year to year they have put up 5 per cent of their salaries, and when they choose to retire that should be returned to them. During times of peace their retirement would not cripple the service, as it would be an easy matter to replace them, and it seems to me to be only equitable that they should be allowed to withdraw the deposits they have made.

Mr. ROSS (Kingston): I know of one man who put in ten years of service and was then retired. He accepted a position in Ottawa, and the pension board said to him: Your pay cannot go higher than a certain amount because you have retired. There are many things contained in this act which are unfair, and I think the minister should endeavour to

correct them. The minister knows of this case officially, that the man cannot get more than what he retires on.

Mr. RALSTON: It is the other way.

Mr. ROSS (Kingston): That he can get more?

Mr. RALSTON: Yes.

Mr. ROSS (Kingston): I was given to understand that he could not.

Mr. RALSTON: His pension and salary could be more than what he is retired on.

Mr. MANION: I have no desire to press the matter unduly, but it seems to me that a man who has been in the service for ten years, and then withdraws should not suffer financial disadvantage.

Mr. RALSTON: He should not have any advantage.

Mr. MANION: He loses the money which he has donated and thus suffers a pecuniary disadvantage. Withdrawal from the service is generally an effort on the man's part to better his position, and if he remains he suffers a pecuniary disadvantage. If he leaves, he also suffers a pecuniary disadvantage, so he gets it coming and going. I do not say it in any offensive way, but it seems as though the dice are loaded against him.

Mr. RALSTON: He cannot lose anything until it is due him, and it is not due him until it accrues according to the provisions of the act.

Mr. MANION: It is a part of his salary which has been taken over as pension and kept by the government.

Mr. RALSTON: He does not lose it when he leaves the service; he lost it when the deduction was made.

Mr. MANION: He loses it once he gives up his position.

Mr. RALSTON: He cannot get it back until he completes the term provided for by the act.

Mr. MANION: It is his until he leaves the service.

Mr. BOYS: What is that term?

Mr. RALSTON: Twenty years at least under ordinary circumstances. If he is retired compulsorily or forced to retire by physical or mental infirmity, the period is ten years. I have not the act before me, but I believe that in the latter case he receives as well a certain gratuity.

[Mr. A. E. Ross.]

Mr. BOYS: Does the minister know of other civil servants who are treated in this way? Assume that a man is receiving $4,000 per year, the 5 per cent deduction would amount to $200 annually. A man may have been eight years in the service and have an opportunity to better his position, but he cannot do so except at a loss. Let me put it in this way: he has paid the money to the government. It is true it is a deduction, but nevertheless his salary is $4,000, and this is kept off for a specific purpose, namely, to provide for pension. After eight years' service we find that this man has $1,600 to his credit. It may be assumed that he has given faithful service during that period or he would have been dismissed. He has no redress whatever. In an ordinary insurance company any time after you have paid premiums for three years, your policy has a loan value or a cash surrender value. Why in the world is such a tremendous deduction made in this case and a man put in the position that he has to remain in the service for twenty years or lose the whole thing? I suppose after all the justice or injustice of it would depend upon what knowledge the man has of his contract when he enters the service I do not know whether or not any special pains are taken to let men know exactly the terms on which they are joining or whether such information appears on the application or not. Could the minister let us know whether one joining the service signs an application which makes this quite plain at the time? If not, it seems to me a great injustice and I cannot help thinking the amendment of the hon. member for Kingston is most appropriate.

Mr. RALSTON: I thought I made the point clear and I do not want to labour it. Does my hon. friend know that every civil servant serving in this department and every other department for eight years is in exactly the same position?

Mr. BOYS: I was given to understand they were not.

Mr. RALSTON: A civil servant has to serve ten years before he gets anything back. It is not regarded as an injustice; it is only part of an insurance fund. The point is that the hon. member for Kingston is trying to lessen the period and I do not think my hon. friend understood this when he asked whether any other department did this. Every department of government has the same rule. I will read the section of the Civil Service Superannuation Act:

5. The governor in council may grant to any contributor who has served in the civil service for ten years or upwards and . . . . who for

any reason other than misconduct or those hereinbefore specified retires, whether voluntarily or by dismissal or removal, from the civil service, a withdrawal allowance payable in one sum equal to the total amount of his contributions made under this act without interest.

I do not want my hon. friend to single out the department over which I happen to preside.

Mr. BOYS: Do not make it personal.

Mr. RALSTON: I am not trying to make it personal, but I do not want him to single out this department as being one which does something which somebody calls grossly unfair. The same thing is done in every department. What the hon. member for Kingston is asking is that at the end of ten years a man in the military service shall be entitled to voluntary retirement and shall get back that money. I have pointed out that the civil service is different from the military service. A great deal of money is spent by this country in training officers in order that they may be able to perform their duties efficiently. Is it in the public interest to have them enter, say the engineering service, give them a training which is very valuable in civil life, and then have them say: Give me my money back and I will go into civil life? There are certain cases in which this act is more beneficial to officers than the Civil Service Superannuation Act is to civil service employees.

Mr. MANION: Will the minister explain why?

Mr. RALSTON: There is the counting of time served for pension. Nonpermanent militia service, war service, permanent force service count under this. All these things which are in the government service count toward pension, whereas a civil service employee could be in the militia for several years and then enter the civil service, and his militia service would not count for pension. I do not think it is in the interest of the service or of the individual that we should enter into a discussion or a comparison of the benefits under the two acts, because in some respects and in certain cases the Civil Service Superannuation Act is better for some individuals and in certain cases and in some respects the Militia Pension Act is better for some individuals. In certain cases, I ask the committee to remember this: this has been in force since 1900 in any case and it seems to have worked well. I have no doubt there are individual cases in which they feel they would like to leave the service and take their contribution. I have had one or perhaps two myself, in which they would like to do this, but it has not been regarded as being in the interests of the service. The provision seems to have worked satisfactorily and I feel that the act, in view of the experience we have had, can be allowed to remain as it stands.

Mr. BLACK (Yukon): In what respect would this not be in the interests of the service? How would it injure the service?

Mr. RALSTON: If my hon. friend had in a special business an employee under contract for say twenty years whom he had trained for years and on whose training he has spent a great deal of money, does he not think it would injure the business if that employee, who was under contract for twenty years, were able to put on his hat and say: "I am leaving now; give me the money I have paid in." That is the reason it is not in the interests of the service. The hon. member for Kingston says that all officers were not in favour of my proposition. I can quite understand that. If I were an officer, I would not be in favour of it either; I would hope the provisions would be as favourable as possible. But one has to remember one's responsibilities in conducting a department and one has to remember the history and the way in which these matters have been worked out. It has been found satisfactory in the past, and I ask the committee to accept my suggestion that the amendment be not pressed. I quite understand that my hon. friend may not agree with me, but it is my point of view backed up by my officers who have had experience in these matters.

Mr. ROSS (Kingston): While perhaps I should abide by the minister's request as this is a house of responsibility and he has a department under him, I did differ from him in saying it was not one hundred per cent satisfactory. I honestly believe he would get better officers if it were known that after ten years' service they could retire voluntarily without having to be shoved out for mental incapacity or physical disability or something of that kind, or else put into another job at another salary before getting what was due to them. I do not believe the service would suffer at all if this were done. All I want to point out is that these are men who are fitted for service in civil life; they have remained in the government service for ten years and all they ask is not the gratuity but the cash contribution.

This is in line with what we have been doing in life insurance. For years life insurance was conducted in a way that compelled men to contribute year after year and

if by a little slip or for some other reason they failed to pay up for one year, they lost all they had contributed. That has all been corrected in life insurance and I do not believe the militia department would suffer one iota if they said: This man has given ten years' good, faithful service; we are willing for him to retire, but we will not give him a gratuity, we will give him simply the cash we have deducted from his salary without interest. If the minister feels that this cannot be accepted, I have no alternative than to withdraw for the time being the amendment, but I certainly believe I am on grounds of simple, British justice.

Mr. MANION: I asked the minister to give the advantages that the officers in this department obtained. He gave as the outstanding advantage that an officer who, for instance, had served overseas for some years, got credit for that service when it came to the matter of pension, whereas this was not the case in the other branches of the civil service. Of course there is an obvious answer to that, namely, that the man who has served overseas has had the very finest kind of training for an officer of this kind, whereas he would not necessarily have any training that would be of use in some other branches of the civil service. So far as I can see that is not an advantage of any importance to the officers. That was the main argument of the minister.

Mr. RALSTON: I did not give it as an outstanding example. I just happened to have it noted. I do not think it is to the benefit of individuals to indulge in a comparison of the two acts. That is what I am advised by my officers. I have not gone into every detail, but I am informed that there are substantial advantages under this act. I do not think it is well for us to say that we are going to put it on all fours with the Civil Service Superannuation Act.

Amendment withdrawn.

Mr. ROSS (Kingston): I have another amendment. I move that there be added to this bill a clause 3, which will amend section 8 of the Militia Pension Act, paragraph (f), which reads:

> The time served as an officer, non-commissioned officer or man on active service during the war between Great Britain and Germany which commenced on the fourth day of August, one thousand nine hundred and fourteen.

I feel that that ought to be interpreted to include one who served in any part of that war, but on the contrary I find that certain splendid non-commissioned officers who had retired from the permanent force on pension perhaps a year or two before war was declared were induced to come back for the purpose of training troops, and when they came back they offered themselves for overseas service, but they were forced to remain in Canada for the purpose of training troops during the four years of the war. They had had experience as artillery officers, and they were retained in Canada contrary to their own wishes, almost by compulsion, you might say, during those four years. Those who went overseas had these four years added to their service, which gives a proportional increase in their pension. I am asking that this section shall apply to these non-commissioned officers formerly of the permanent corps who were forcibly retained in Canada during the four years of the war for the purpose of giving training, and I therefore move to add the following words to paragraph (f), "including the time so served in Canada."

Mr. MANION: Would the hon. member read the clause as it would be as amended?

Mr. ROSS (Kingston): I should really have to read the whole section. Section 8 deals with the time that may be included in the term of service and includes time served with the military forces in South Africa, time served by an officer of the Canadian militia with the South African constabulary, time served with the Royal Canadian regiment at Halifax, and so on, and then paragraph (f) says:

> The time served as an officer, non-commissioned officer or man on active service during the war between Great Britain and Germany.

My amendment is to add to that paragraph the words "including the time so served in Canada." That will simply mean that they will get the four years that they served in Canada added to their permanent corps service for pension purposes. Nobody can deny that the four years they gave in Canada should be so considered. These men sacrificed very much, after taking a small pension, in the one case, I think, of $25, they came back to give their services, and they gave excellent service in the way of training men for the war, and yet that four years' service has not been counted. There are not very many of them. I think I know only about four peramnent non-commissioned officers in this class, who retired only a year or two before the war was declared, and then came back and gave excellent service, and yet they have been refused this additional time for pension purposes. I think it is only fair that they should be considered, and that those words should be added.

Mr. RALSTON: My hon. friend has been kind enough to call this matter to my attention and to submit to me a copy of his amendment. Both these cases are illustrative of the maxim well known to lawyers, that hard cases make bad laws. My hon. friend no doubt has some specific cases in mind of a man who served in the permanent force, and retired before the war, drawing a pension from the permanent force. The call comes for men to enlist for Canadian expeditionary force service. One man after he has retired from the permanent force and has become a civilian and is drawing a pension enlists and serves either overseas or in Canada. Another man who has not served in the permanent force also enlists and serves, and what my hon. friend suggests is that the man who served in the permanent force and had become a civilian to all intents and purposes the same as the man who enlisted for the first time shall receive an award for serving in the Canadian expeditionary force in addition to his permanent force pension. In other words, the man who enlisted de novo, not having served before, gets a war service gratuity, and that is all he gets for his Canadian expeditionary force service; but the permanent force man, under my hon. friend's amendment, is to get an additional award, if I might put it that way, by way of an addition to his permanent force pension. Let me say to my hon. friend—I expect that he remembers it far better than I do—that this whole case was threshed out by the parliamentary committee presided over by Mr. Hume Cronyn and I understand that at that time a recommendation was made to the effect that the case of one man should not be any different from the other, that their Canadian expeditionary force service should be exactly on the same basis, that the permanent force man who had retired and then enlisted should not have his pension increased by the fact that he subsequently served during the war either overseas or in Canada. I feel that the decision made at that time was sound, and I am sorry that here again I cannot assist my hon. friend in the one or two cases that he has in mind.

Mr. BLACK (Yukon): Has the man not retired prior to the war, either voluntarily or compulsorily, then the time that he served in Canada or elsewhere during the war would have counted for pension. The mere fact that he retired from the permanent force, probably compulsorily, and then comes back for the war and does additional service, surely should not be counted against him.

Mr. RALSTON: It is not counted against him.

Mr. BLACK (Yukon): That is the fact. Suppose a non-commissioned officer had continued to serve in the permanent force during the war, the full time put in by him would count for pension, but merely because he was out of the permanent force for perhaps a week before the war began and his services were again required, he should not have his pension reduced. If you will look at section 8 of the Militia Pension Act, you will see that the following times may also be included in the term of service of an officer for the purposes of this act; (a) time served with the military service in South Africa; (b) time served by an officer of the Canadian militia with the South African constabulary; (c) time served with the third battalion of the Royal Canadian regiment of infantry at Halifax; (d) time served with the Yukon field force in any one or more of the years 1898, 1899 and 1900. Why the time served with the Yukon field force should count I am quite at a loss to know, because it was an absolute waste of money sending that force up to the Yukon. They went there on a joy ride, and it continued as a joy ride all the time that they were there.

Sir EUGENE FISET: They were still non-commissioned officers of the permanent force while serving with the Yukon field force. There was continuity of service.

Mr. BLACK (Yukon): True.

Sir EUGENE FISET: There was continuity of service. That is the basis of the act.

Mr. BLACK (Yukon): Supposing there was a break in the service of any of these officers or non-commissioned officers who went back into the Yukon field force, this bill would not cover them, just as in the case the hon. member for Kingston has in mind in moving this amendment. It seems to me unfair discrimination.

Mr. ROSS (Kingston): Mr. Chairman, neither the minister nor the former deputy will deny that when the men joined the Canadian expeditionary force they broke their service with the permanent force.

Sir EUGENE FISET: No.

Mr. ROSS (Kingston): Yes, they broke their service and had to be taken on again.

Sir EUGENE FISET: Will you allow me a second to explain?

Mr. ROSS (Kingston): I have the floor, Mr. Former Deputy Minister. That man's pension of twenty-five dollars should not be affected; he has earned it, it is his right. Now, this case is dissimilar from the other one. In the former case he had not earned his pension,

but in this case he has. Yet you say that because he has earned it you are not going to give him anything further. But because some officers first went out to South Africa they did get that service. Surely the former deputy minister cannot say that they did not break their service when they joined the South African constabulary.

Sir EUGENE FISET: They were in the permanent force then.

Mr. ROSS (Kingston): But will you say these officers who joined the South African constabulary did not break their service?

Mr. RALSTON: They did not break their service.

Mr. ROSS (Kingston): They did; they came back and rejoined the service in Canada. There was just as much a break in the service of the men who joined the South African constabulary after the war was over and remained there for two or three years and then came back into the service here as there was in the case of the men who had gone out of the permanent force and came back into it again. I think you have made your position very ridiculous in trying to say that there is no break there. I am fighting for two ordinary non-commissioned officers, to see that their time is dealt with on the same basis as that of some officers who joined the South African constabulary. I do not intend to withdraw this amendment; I am going to press it.

Mr. RALSTON: As I told my hon. friend, the matter has all been thrashed out before a committee of this house and thoroughly considered. I do not think he realizes how far-reaching this amendment is. Those who enlisted in the Canadian expeditionary force after having been retired and being in civil life are all put on the same basis. That is the principle on which the former committee went, and it is the principle for which I have to stand as advised by my officers.

Mr. ROSS (Kingston): Will the minister then explain—

Mr. RALSTON: I am not explaining at all with regard to the act, I am dealing with the case which my hon. friend is submitting. There are a good many cases which would not be regarded at all if the men were in the civil service. They are given the benefit of it here. I do not think it serves the purpose of those who are interested in the Militia Pension Act to bring these cases up. I have introduced this amendment for the benefit of certain widows who, it is pointed out, do not get the consideration which the law officers of the crown thought they were intended to get. I felt that they should be benefited. I do submit to my hon. friend that the bringing into this discussion of two cases that have nothing to do with the subject matter does not help us at all, and it makes us feel inclined not to introduce any further amendments to the Militia Pension Act. I would get along beautifully if I did not introduce any amendments at all, but when I try to make this amendment my hon. friend goes over the whole act to try to find some place where more generous provision is made than in the two cases he has in mind. As I have said, hard cases make bad laws. There may be cases such as he has in mind where small pensions have been granted, but the general principle is sound, and it has been accepted by a parliamentary committee and by parliament itself. I ask my hon. friend whether it is in the interest of the people for whom this act was passed for him to press this amendment.

Mr. ROSS (Kingston): I think it is justified by the mere fact that we come up here session after session and find that some special case is introduced. Now, I consider that my case is just as meritorious as the one brought up by the minister, and that it is just as meritorious as the one he brought up last session. As long as that is done because of some person at headquarters here or by some one with a little bit of "pull," to obtain these special favours, I am going, as I gave warning to the minister last year, to bring up these meritorious cases.

Mr. RALSTON: If my hon. friend suggests that this bill is introduced because of anybody at headquarters or because of someone else who has "pull," he is very much mistaken. It has been introduced for the reason I have already stated. If my hon. friend is determined to press his amendment, I think it will be best for the committee to rise and report progress.

Mr. ROSS (Kingston): That is the same kind of threat as the minister made last year. I am not saying a word against his case, but I am asking for similar consideration for another meritorious case.

Mr. RALSTON: My hon. friend—

Mr. ROSS (Kingston): I have the floor and I intend to keep it. Surely the minister is a bigger man than to threaten to withdraw a favour which has not been contested by me.

Mr. RALSTON: Will my hon. friend permit me? I understood him to say—he will correct me if I am wrong—that this case which I have presented, and which he says is no more meritorious than his, had been presented because of "pull" exercised by somebody at headquarters. If that is the case, I can assure him the "pull" will cease right here, and I will ask the committee to rise and report progress.

Mr. ROSS (Kingston): I said that time after time we have seen cases brought up here in favour of some person, but I was not speaking against this particular case; I simply said that my case was as meritorious as the minister's. I do not think the minister, after the gallant service that he has given, will say that because I am pressing for a favour for a meritorious case, he is going to withdraw this favour to some poor widow, a favour which I am not opposing in any way.

Mr. RALSTON: No.

Mr. ROSS (Kingston): If it will help his widow to get this favour I will withdraw my amendment.

The CHAIRMAN: Shall the hon. gentleman have leave to withdraw his amendment?

Some hon. MEMBERS: Carried.

Amendment withdrawn.

Section agreed to.

Bill reported.

DEPARTMENT OF MARINE

PROVISION FOR SEPARATE DEPARTMENT PRESIDED OVER BY A MINISTER

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to provide that there shall be a Department of Marine, presided over by a minister of the crown; that the powers and duties of the minister be defined, and provision made for the appointment of a deputy minister and the employment of such other officers, clerks and employees as may be deemed necessary.

Motion agreed to and the house went into committee, Mr. Marcil in the chair.

Mr. MACKENZIE KING: As members of the house are aware, there is at the present time a Department of Marine and Fisheries. The purpose of the bill which is based on the present resolution and which will be introduced is to divide the present Department of Marine and Fisheries into two departments, a Department of Marine and a Department of Fisheries. For some time past it has been felt that the fisheries resources of this country should receive the attention of a separate ministry. Canada is rich in her natural resources of agriculture, fisheries, lumbering, mining and power. From the point of view of value, it is believed that the fisheries resources are second in the list of natural resources. As compared with the fisheries resources of other countries of the world, we have in our deep sea and inland fisheries the largest and most valuable anywhere to be found. During the past ten years there have been no less than three royal commissions each of which has concerned itself in whole or in part with waters pertaining to Canadian fisheries. The first commission was appointed in 1922, and was composed entirely of hon. members of this house. It was appointed to inquire into the fisheries of British Columbia. In 1926 the royal commission on maritime claims considered, amongst others, the representations of the maritime provinces in respect to the fisheries industry.

Sir GEORGE PERLEY: Did the Duncan report recommend a separate ministry or a separate department?

Mr. MACKENZIE KING: I will come to that in a minute. In 1928 a royal commission appointed to investigate the fisheries of the maritime provinces and the Magdalen Islands made its report. The commissioners were: the Hon. A. K. Maclean, and Messrs. Cyrus Macmillan, H. R. L. Bill, Joseph Mombourquette and J. C. Robichaud. All three commissions were concerned, as I have said, with the question of Canadian fisheries. Two of them were concerned exclusively with fisheries, one with those on the Pacific coast, and the other with those on the Atlantic coast.

My hon. friend the member for Argenteuil (Sir George Perley) asked if the Duncan commission recommended the appointment of a separate minister. The report of that commission recommended the establishment of two main branches of the Department of Marine and Fisheries, the two branches to be placed under separate deputy heads, one to deal with marine matters and the other with fisheries. The commission which reported in 1928 went however, a step farther. It recommended that there should be a separate ministry of fisheries created. I shall read the recommendation of that commission as it is found at page 82 of the report:

Numerous representations were made to us on the necessity for the establishment of a separate ministry of fisheries. It was pointed out that a separate Department of Fisheries would elevate the industry in importance, would

stimulate a greater public interest in its special problems, and would permit of undivided administrative attention, thereby ensuring a more extensive and complete organization. The suggestion was also made that with the extensive fisheries of the Atlantic and Pacific coasts, and such of the inland fisheries as are under federal control, there is a sufficiently large field for administrative work in the future to justify the creation of a separate ministry. It was contended that the Department of Marine and Fisheries has so wide a jurisdiction and such a variety of problems, that, as at present organized, it is unable to devote sufficient time to fishery matters.

Much can be said in support of this view. The fishing industry is territorially widespread on both the Atlantic and Pacific coasts, each area having difficulties that are dissimilar from those of the other. It is great in variety, in extent and in value; it holds a very large place in the economic life of the country; and in all phases it is beset with complex problems of administration. The industry may, therefore, justly claim to be of such importance as to require a separate ministry. Last year, parliament authorized the appointment of a Deputy Minister of Fisheries. We found throughout the maritime provinces a widespread feeling not only in support of this action, but also in support of the establishment of a separate Department of Fisheries under a Minister of Fisheries, and we recommend the creation of such a department to the consideration of the government of Canada.

At the time that effect was given to the recommendation contained in the Duncan report for the establishment of two deputy heads to the branches of marine and of fisheries respectively, I indicated that in all probability the government would appoint at a later date a separate minister of fisheries. Perhaps at this time I should say that when the two departments are separated, it is contemplated to effect a measure of reorganization in regard to the work of some of the other departments. We believe such a reorganization would be very much in the interests of the country. For example, to-day dredging of rivers and harbours is carried on largely by the Department of Public Works; it is also carried on to some extent by the Department of Railways and Canals. The government has felt that from the point of view of efficiency and economy a much needed improvement would be effected if the work of dredging were concentrated in the department which deals more particularly with marine affairs. At a later time there will accordingly be a reorganization of the marine department along lines which will enlarge the work of that department in this and other particulars. That department will be able to give its attention more exclusively to marine affairs, while to the very important phases of the fisheries industry it will be possible to give much more in the way of attention by having those matters placed under a separate minister. That is the purpose of the present legislation.

Sir GEORGE PERLEY: Will the right hon. gentleman tell us how many ministers there are at the present time?

Mr. MACKENZIE KING: There are sixteen with portfolio and one without.

Sir GEORGE PERLEY: I certainly am not going to object to this proposed legislation, but I would like to call the attention of the Prime Minister to the report of the Duncan commission, which does not call for a separate minister. Fisheries are a most important part of our national life, but I have felt strongly for years that we have more ministers in Canada than we require. Whether or not there should be a separate Minister of Fisheries is beside the question at the moment, but this will add one more to the number. In the years I have been in public life it has seemed to me that we should get on with fewer ministers. It is true that the duties of the different members of the cabinet vary a great deal; some of them have a great deal to do while others have comparatively little, but here we have a country of ten million people with seventeen ministers at full salary. We all know that the United States gets along with only seven ministers.

Mr. McLEAN (Melfort): Why quote the United States all the time?

Sir GEORGE PERLEY: I am not arguing that we should follow the example of the United States; far from it, but I am saying that great country gets on with comparatively few ministers. It seems to me it would be easier for the Prime Minister and for the cabinet to discuss public questions if there were not so many of them. I am not going to object in any way to the creation of a Department of Fisheries, which I think is perfectly proper, but I do not think we should add to the number of cabinet ministers we have now. It is very easy to add to the number and very hard to take away from it, as the Prime Minister knows. If you make an addition now, who knows when we will have a man in the Prime Minister's chair who will reduce the number as it seems to me it should be reduced? I object to increasing the present number of ministers.

Mr. MACKENZIE KING: My hon. friend referred to the Duncan commission which, as I have already said, recommended two deputy heads. It did not express any opinion for or against a separate minister for each of the two branches. Evidently what that com-

mission had in mind was that its business was to consider maritime claims generally and that the fisheries was only one aspect of the question. There was however another commission to which I have already referred, which investigated the fisheries of the maritime provinces and the Magdalen Islands in 1928. The Duncan commission made its effort in 1926. The 1928 commission made the recommendation which I have just read to the house, strongly in support of a separate minister.

Sir GEORGE PERLEY: I do not object to a minister of fisheries, but it seems to me we should have some adjustment whereby the total number of ministers would not be increased.

Mr. MACKENZIE KING: I think I can promise my hon. friend that the number will not be increased. As he is aware, in this house we have passed to-day enactments under which the natural resources of the three western provinces must be transferred to those provinces, as well as certain lands to the province of British Columbia. When that transfer is effected it should be possible to do away entirely with the ministry of the interior. Some reorganization and consolidation will be effected as respects the Department of Immigration, the Department of Indian Affairs, the forestry service and allied branches of the public service. At present the Minister of the Interior, I believe, is acting minister as well for two or three departments; I hope it will not be necessary to have any acting minister in the future but to have one minister to whom may be entrusted the administration of these several branches. The intention being to drop one minister almost immediately, I hope my hon. friend will feel reassured as to the present measures not involving any increase in the total number of ministers.

Since my hon. friend referred to the United States, I might remind the committee that the ministers in the United States are engaged exclusively in executive work, with no responsibility to congress. We certainly could get along with a much smaller number of ministers in Canada if our ministers did not have to spend so much time in parliament, and I quite agree with my hon. friend that a small meeting of council is easier to handle than a large meeting.

Sir GEORGE PERLEY: I am not suggesting that we should have as few ministers as they have in the United States; I only referred to that country to show that government can be carried on with comparatively few ministers. I quite understand that the difference in our constitutions is such that our ministers have many other duties, particularly in this house, but I think we might get along with perhaps twelve or fourteen ministers.

Mr. MacLAREN: I understand that at present there is a deputy minister of marine and also a deputy minister of fisheries, and I notice that this resolution speaks of the appointment of a deputy minister of marine. Perhaps we might have a word of explanation from the Prime Minister on this point.

Mr. MACKENZIE KING: The law officers are of the opinion that the most satisfactory way to create a new Department of Fisheries is to create, as it were, two departments anew, a Department of Marine and a Department of Fisheries, and then to abolish the old Marine and Fisheries Act. Under the Interpretation Act the officers who are already in the Department of Marine and Fisheries automatically will go to one or the other of these two new departments. The most convenient and effective procedure appears to be that of creating two new departments. Under one of the provisions of the Interpretation Act the officials of the old department are automatically reappointed.

Mr. WOODSWORTH: It is somewhat consoling for us to learn that the minister, or rather the ministry of the interior is to be dropped. Although the motion was not reached, I placed a resolution on the order paper to the effect that the Department of Immigration should be done away with this year. It has been urged that the United States gets along with fewer ministers than we have, and the Prime Minister has replied that the ministers in the United States have not the parliamentary work to do. We might also remember that in England they do not require quite so many ministers as we have, but they have a system whereby undersecretaries do a certain amount of the parliamentary work. I do not see why we could not adopt a similar system here, and instead of having a full time minister on full pay we might have some of the younger members of the house, who perhaps might be ambitious to find a place in the cabinet some day, get their training by undertaking the parliamentary end of the work. In any case we would have the deputy minister carrying on the executive work. It seems to me to be unfortunate to increase the number of ministers in the cabinet.

Mr. MACKENZIE KING: As far as the British cabinet is concerned there is a certain distinction to be made between the ministry and the cabinet. The ministry is a much

larger body, although some of its members perform functions quite as important as those performed by our own ministers. When all are considered, the number is considerably in excess of the number of ministers in this country.

Mr. WOODSWORTH: It should be borne in mind that we have nine provincial organizations in addition to our federal organization, with only one quarter the population.

Mr. HEAPS: Could the Prime Minister give the committee the number of cabinet ministers in Great Britain?

Mr. MACKENZIE KING: They are as follows:

Prime Minister, First Lord of the Treasury.
Secretary of State for Foreign Affairs.
Lord Privy Seal.
Lord President of the Council.
Lord Chancellor.
Chancellor of the Exchequer.
Secretary of State for Home Affairs.
Secretary of State for the Colonies and Dominions.
Secretary of State for War.
Secretary of State for India.
Secretary of State for Air.
First Lord of the Admiralty.
President of the Board of Trade.
Minister of Health.
Minister of Agriculture and Fisheries.
Secretary for Scotland.
President of the Board of Education.
Minister of Labour.
Chancellor of Duchy of Lancaster.
First Commissioner of Works.

The ministers not in the cabinet are as follows:

Attorney General.
Minister of Pensions.
Minister of Transport.
Solicitor General.
Postmaster General.
Lord Advocate.
Solicitor General for Scotland.

When the number of under secretaries in addition is considered, it will be seen that Great Britain has a very much larger organization.

Mr. HEAPS: There is no comparison between the size of the countries and the number of people to be governed. The work done by our deputy ministers is carried on by under secretaries.

Mr. MACKENZIE KING: Not wholly.

Mr. HEAPS: It is to a certain extent.

Resolution reported, read the second time and concurred in. Mr. Mackenzie King thereupon moved for leave to introduce Bill No. 126, respecting the Department of Marine.

Motion agreed to and bill read the first time.

[Mr. Mackenzie King.]

DEPARTMENT OF FISHERIES

PROVISION FOR SEPARATE DEPARTMENT PRESIDED OVER BY A MINISTER

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to provide that there shall be a Department of Fisheries, presided over by a minister of the crown; that the powers and duties of the minister be defined, and provision made for the appointment of a deputy minister and the employment of such officers, clerks and employees as may be deemed necessary.

Motion agreed to and the house went into committee, Mr. Marcil in the chair.

Resolution reported, read the second time and concurred in. Mr. Mackenzie King thereupon moved for leave to introduce Bill No. 127, respecting the Department of Fisheries.

Motion agreed to and bill read the first time.

SALARIES ACT AMENDMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee to consider the following proposed resolution:

That the Salaries Act be amended to provide that the Minister of Marine and the Minister of Fisheries shall each be paid a salary of $10,000 per annum.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. MANION: The statement has appeared in the press to the effect that one of these cabinet positions is to be filled by Professor Macmillan. I was wondering if the Prime Minister (Mr. Mackenzie King) was not looking for an opportunity to tell the house whether or not this statement is true.

Mr. MACKENZIE KING: I should like to take the house into my confidence but I would prefer to do so at a later date.

Mr. SMITH (Cumberland): Will it be a maritime man?

Mr. MACKENZIE KING: I would like to reserve for the present any expression of view on this matter.

Resolution reported, read the second time and concurred in. Mr. Mackenzie King thereupon moved for leave to introduce Bill No. 128, to amend the Salaries Act.

Motion agreed to and bill read the first time.

SUPPLY

POST OFFICE DEPARTMENT

The house in committee of supply, Mr. Johnston in the chair.

Salaries and allowances, $18,632,694.40.
Mail service, including mail service by air, $17,267,000.
Miscellaneous, including $5,000 for the payment of compassionate allowances to employees injured while in the performance of their duties, or to the dependents of employees killed while on duty, such payments to be made only on the specific authority of the governor in council, $1,286,675.
Yukon Territory, $150,000.—Total, $37,336,369.40.

Mr. STEWART (Leeds): I notice in this item there is a substantial increase, namely, $1,177,230, over the amount voted last year. Would the Postmaster General be good enough to explain the reasons for the increase?

Hon. P. J. VENIOT (Postmaster General): The increases in salaries and allowances amount to $1,177,230. The post office increases amount to $1,212,970. The explanation is as follows:

1,882 statutory increases, $200,220 divided up as follows:
2 at $180; 1,451 at $120; 429 at $60.
325 new appointments required each year as the business increases, $353,580, divided as follows:

3 senior postal clerks.
7 senior letter carriers.
2 senior mail porters.
100 letter carriers.
91 postal clerks.
84 postal helpers.
12 mail porters.
2 clerks, grade 4.
1 clerk, grade 3.
2 clerks, grade 2.
1 clerk, grade 1.
6 stenographers, grade 2.
1 stenographer, grade 1.
6 postal chauffeurs.
1 postal garage repair man.
6 watchmen.

326 new appointments estimated for the coming year to meet the proper needs of the postal service up to March 31, 1931, $352,620, divided as follows:

1 principal postal clerk, $2,100.
2 senior postal clerks, $1,860 each.
156 postal clerks, $1,080 each.
121 letter carriers, $1,080 each.
12 mail porters, $1,080 each.
34 postal helpers, $1,020 each.

Mr. STEWART (Leeds): Did I understand the Postmaster General to say that some new post offices had been established?

Mr. VENIOT: Quite a number of new post offices have been established during the last year. This does not provide for post offices in country districts or anything of that kind. It provides for the services in the higher graded offices. This is all done through the Civil Service Commission.

Mr. WOODSWORTH: Have any steps been taken to increase the salaries of the lower paid postal workers? This question was brought up last year. As I understand the matter, the minister took the ground that the responsibility lay with the Civil Service Commission. A year has elapsed since then and I should like an announcement as to what has been done in the meantime or what is proposed to be done.

Mr. VENIOT: Since last year further representations have been made to the department. I again took the matter up with the Civil Service Commission and asked them to let me know whether they had changed the decision or had any reason to change the decision formerly given. The answer was no.

Mr. HEAPS: I have a complaint to make in this particular regard. I remember last year when the late Minister of Finance raised the question of an increase to the technical and professional employees of the government, I directed attention to the lower paid civil servants and asked whether some form of commission could not be appointed to consider the wages of the lower paid men. If my memory serves me aright, the late Minister of Finance left the impression that something would be done with regard to referring the question of the wages of the lower paid men to some committee or commission. We had a commission appointed which inquired into the salaries of the higher paid men in the employ of the government and it recommended increases to those men who no doubt deserve higher salaries than they are getting at the present time. But if salaries are to be increased to persons employed by the government, the first people who ought to be considered are those who are receiving low wages. Nobody will contend that the salaries at present received by the postal workers approach a living wage. I understand they start at a salary of $1,000 a year.

Mr. VENIOT: $1,020.

Mr. HEAPS: And it increases, I think, to $1,250.

Mr. VENIOT: It increases, according to class, up to $1,320, $1,500, $1,740 and so on.

Mr. HEAPS: I am appealing at the present time, not for the higher paid but for the lower paid men. As well as receiving low wages, they have a 5 per cent deduction for the civil service superannuation fund. This

means that many men who enter the postal service start at a wage of about $85 a month. They have to pass a very thorough examination; they must be men even above the average. The government having been so considerate of the higher paid men as to go to the extent of appointing a commission to investigate their salaries, the commission having reported favourably and, I understand, the government having decided to accept to some extent the recommendations of the commission, I am surprised that they are doing nothing for the lower paid men. I want to know whether it is possible for the government to do for the lower paid men, particularly those in the postal service, exactly what they have done for the higher paid men. I appeal to the Postmaster General to say that he will appoint a committee or commission of some kind to investigate the salaries of the lower paid men under his jurisdiction.

Mr. MANION: Before the minister replies, may I ask him in his reply to tell the committee what is the lowest salary paid and how many men in the department are receiving that salary? The question was under discussion last year. The hon. member for South Wellington, my hon. friend who has just spoken, a number of others and myself took part in the discussion and I should like to have that information if the minister has it at hand.

Mr. VENIOT: I have not at hand the number employed at that low salary, but I will get the information for the hon. gentleman.

Mr. MANION: Can the minister give a rough estimate?

Mr. VENIOT: No, it would only be guessing, but I shall be glad to get the information. Beginning at $1,020, the postal helper goes up to $1,320, which is the maximum, so after three or more years' service they receive the maximum of $1,320. Of course, the postal clerks start at a higher minimum; I believe it is about $1,200, although I have not the exact figure at hand. I am not contending that they are paid too much or that they get enough. I merely wish to point out that when hon. members speak of postal helpers drawing less than $100 a month, there is a short period during which they do receive less than $100 a month, but it is not very long before they are receiving more than $100 a month.

Mr. WOODSWORTH: Does the minister think that anything around $100 a month, even $115, is a living wage under conditions that prevail in Canada to-day?

Mr. VENIOT: I am not in a position to express an opinion upon that just now, but I will say this. I would certainly be sorry to have anyone in Canada live on a wage of under $1,000 a year. I must, however, draw attention to this point. The impression prevails that these men remain at that salary. They do not. They go as high in that class as a maximum of $1,320. Then there is the opportunity for promotion from postal helper to postal clerk, and so forth, and as they advance to these higher grades the salary increases to $1,800 and $2,100, but they must begin at the bottom of the ladder. I am not going to offer what I am now about to say as an excuse for low wages, but let me draw attention to this fact, that every time the Civil Service Commission advertises for applicants for these lower grades, we have more applicants than we can handle.

Mr. WOODSWORTH: That does not prove anything.

Mr. VENIOT: Let me finish. I cannot undertake to answer questions flung at me from all sides of the house at once. After I am through, I shall be glad to answer any questions that I can. In the city of Montreal last year when applications were asked for these lower grade positions we had over 2,500 applicants who underwent examination. We had them in Winnipeg, in Toronto, and in all the large cities, and we have them in increasing numbers every year. I wish it to be clearly understood that I am not giving that fact as an argument against the payment of higher wages. I am merely pointing out to the committee that that is the fact, and hon. members can judge for themselves.

I have the figures here that were asked for by one hon. member. We have in the service 1,365 railway mail clerks; 3,201 postal clerks in post offices; 2,763 letter carriers; 762 mail porters in post offices and 8 in district offices, and that class would be receiving a minimum of $1,020. Also receiving that minimum of $1,020 are 870 postal helpers.

Mr. HEAPS: How many of those are receiving the minimum wage at the present time?

Mr. VENIOT: There are 770 mail porters and 870 postal helpers.

Mr. HEAPS: How many postal carriers are receiving the minimum wage of $1,020?

Mr. VENIOT: I will have that information in a moment.

Mr. GEARY: What was the date at which the present salary schedule was inaugurated and the minimum placed at $1,020?

Mr. VENIOT: I think it was at the time of the Griffenhagen classification, about 1919.

Mr. GEARY: While that point is being looked up, I would ask another question. The minister has stated that this year again the question of raising the salary schedule was taken up with the Civil Service Commission. Last year the minister was good enough to give us almost categorically the steps taken in the negotiations with the commission or the representations made to that body. I should like very much to know what was done this year in that regard, because my information is that the position of these men has not been bettered at all, but rather with the cutting down of the living allowance they are in a worse position than they were a few years ago.

Mr. VENIOT: No.

Mr. GEARY: I mean relatively, because they had had increased duties and are required to assume greater responsibilities now than some years ago. If these matters are placed before the Civil Service Commission, it seems to me that we should get some results. We have been on this now for three or four years.

Mr. VENIOT: I have not done anything further this year than what I stated a few moments ago. I asked the commission if they adhered to the position they took last year, and the reply was yes. I have not gone any further this year. When the hon. gentleman says that they receive less now than they did formerly—

Mr. GEARY: Relatively.

Mr. VENIOT: When they received the bonus and living allowance the minimum salary was less than it is to-day. That living allowance was a war measure and it was gradually cut down until there is no longer any bonus being paid since 1924, I think, when the minimum salary was fixed at $1,020.

Mr. GEARY: My point is that no benefit has come to these men from raising the minimum, that they are worse off to-day than when the minimum was lower, and I think that that is a fact, when you take the living allowance into consideration.

Mr. VENIOT: It is a fact, but that allowance was as a war measure. It continued during that period and for a few years after.

Mr. GEARY: But it should have some relation to the cost of living.

Mr. STEWART (Leeds): Mr. Chairman, the Postmaster General is endeavouring to create the impression that there stands between him and a substantial increase for a considerable number of employees the attitude of the Civil Service Commission. I think it is time we had all the facts bearing on this case. The minister has been dodging for a couple of years.

Mr. VENIOT: Mr. Chairman, I do not think the hon. gentleman should be allowed to use that expression. I do not think anybody in this house will say that I have not the courage of my convictions, or that I ever dodged any question.

Mr. STEWART (Leeds): I am not saying that the minister has not the courage of his convictions. All I want now is to ask him how many employees are affected by the difference that exists between his department and the Civil Service Commission.

Mr. VENIOT: I have given the number.

Mr. STEWART (Leeds): Then I would like the minister to tell the house what amount he recommended for these employees and what amount the Civil Service Commission allowed.

Mr. VENIOT: I gave that information to the house last session; I have no objection to repeating it. It would involve an additional expenditure of $273,000. Last session I read the reply of the commission. Their reply, in effect, was that they could not see there was any necessity for increased salaries as recommended by the Postmaster General. That is all the information I can give the hon. member.

Mr. STEWART (Leeds): How many employees are involved?

Mr. VENIOT: I gave that information a few minutes ago.

Mr. STEWART (Leeds): I want to find out how much is needed for each employee.

Mr. VENIOT: It included letter carriers, 2,763; mail sorters, 707; postal helpers, 870.

Mr. HEAPS: A few minutes ago the Postmaster General referred to the fact that in the city of Montreal last year 2,500 men applied for the lower paid positions.

Mr. VENIOT: I did not say that, I said 2,500 passed the examination.

Mr. HEAPS: Well, 2,500 applicants passed the examination for these lower paid positions and he seemed to suggest that this justifies the low rate of pay.

Mr. VENIOT: The hon. gentleman should not put into my mouth words that I never uttered. I distinctly stated I was not giving

it as a reason why there should be no increases, but I was merely stating the facts so the house could judge for itself.

Mr. HEAPS: There is only one inference the house could draw.

Mr. VENIOT: Let the member draw his own inference.

Mr. HEAPS: I think the fact that 2,500 men sat for the examinations simply indicates the serious unemployment situation then existing. That is the inference I draw from the statement made by the Postmaster General. But there is something more. Only yesterday the house passed a fair wage bill. The government is solidly behind any fair wage bill when somebody else has got to pay the wages. I think, Mr. Chairman, it would be only the right and proper thing for the government itself to act as a model employer. How can this house be consistent in its attitude towards the wages paid by private corporations when the government itself which, as I say, should be a model employer, refuses to pay its employees what, after all, is a decent minimum standard. We intend that the fair wage bill shall go into operation in the very near future. That bill will specify wages which, I am satisfied, will not be as low as eighty-five dollars per month for able bodied men. These postal men who are working probably forty-eight hours a week, start at a little over twenty dollars a week wages, which is about twenty cents per hour; and yet these men have to pass a civil service examination, have to be physicially fit, and are engaged in delivering important mail to householders. We are asking these men to be honest and upright employees and to lead a decent life on only twenty dollars a week. I do not see how we can justify a public utility such as our post office in paying such low wages. I think the people of the Dominion would rather sooner pay a little more for the postal service than see the men receiving these low wages. I do not think there is any credit coming to the postal department in reducing the cost of the services and at the same time paying low wages to the men performing those services. As only yesterday we passed a fair wage bill, I am going to ask the government itself to inaugurate the measure by paying to our own employees a fair wage—something at least which will be worth while for the private employer of labour in this country to follow.

Mr. STEWART (Edmonton): May I ask the hon. gentleman a question?—because I am very much interested in whether or not the contention of the Civil Service Commission is correct. It is stated that the reason there are so many applicants capable of passing the examination and doing the work is that the remuneration under present conditions is better than those applicants receive in commercial work or similar occupations? Can my hon. friend give the house any information on that?

Mr. HEAPS: One of the reasons in my estimation is that there is so much unemployment at the present time.

Mr. STEWART (Edmonton): That is no answer, because I happen to know that at least fifty per cent of these men leave occupations in other lines; they are not out of employment.

Mr. HEAPS: I am going to give two answers. First of all, the large number of applications is due to the serious condition of unemployment in Canada; there is also the important question of irregular employment. In the postal service there is the attraction of steady employment. That is no excuse for paying low wages

Mr. STEWART (Edmonton): But may I say the answer we get—I am not speaking now particularly of the postal clerks, I am speaking of the lower paid staffs in the whole civil service—the answer we get is that even in regular employment in, for instance, the banking institutions of this country, men do not get a salary comparable with the minimum wage paid to this service.

Mr. MANION: But the government should set an example to private employers.

Mr. STEWART (Edmonton): I am not arguing as to that. But I do want my hon. friend to realize that there may be something in the contention of the Civil Service Commission that these salaries are comparable with the salaries paid in commercial undertakings generally in Canada.

Mr. HEAPS: The point is not well taken by the minister; to my mind the government should be a model employer of labour. I think also the government should pay to its permanent employees a sum approaching a living wage. No member of this house could say that a man who begins work in the postal service at $85 a month is receiving a living wage. I have had some experience with public bodies and I can say that in the city of Edmonton, with which the minister is acquainted, labourers are paid sixty cents an hour.

Mr. STEWART (Edmonton): I might remind the hon. member that those men work only six months of the year.

Mr. HEAPS: No, they are permanently employed.

Mr. STEWART (Edmonton): Men working by the hour in any city are not salaried men.

Mr. HEAPS: In the city of Winnipeg we have hundreds of labourers who are permanently employed by the city, and they receive—

Mr. STEWART (Edmonton): Are they employed on a monthly basis?

Mr. HEAPS: No; they receive a wage of 57 cents an hour.

Mr. STEWART (Edmonton): Is that for twelve months' employment?

Mr. HEAPS: Yes. There may be occasions when a man would be off for a few days or a week, but we call them permanent employees; they receive the benefits of all permanent civic employees. In the city of Winnipeg they receive the benefit of the superannuation fund, and in that city the wage is 57 cents an hour. Temporary labourers receive only 42½ cents an hour; in the city of Toronto labourers receive 60 cents an hour and work a forty-eight hour week. There is no reason why we should not pay our postal workers the same wages as other workers in the same category.

Mr. VENIOT: Perhaps it would throw some light on the subject if I were to give some information as to grading in the postal department. They enter the service at a minimum of $1,080 for the first year; the next year it increases to $1,200 and the next year to $1,320. These figures apply to letter carriers. There is an annual increase of $120. The maximum is reached in the fifth year and it is only during the first year that the employees receive less than $100 per month.

Mr. MANION: I thought the increase was $60 a year.

Mr. VENIOT: It is $120.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 73 for the relief of Herbert Nelson Vaughan.—Mr. Lawson.

Bill No. 77 for the relief of Walter Joseph David Penly.—Mr. Lawson.

Bill No. 97 for the relief of Margaret Piton.—Mr. Lawson.

Bill No. 107 for the relief of Harry Jackson Carr.—Mr. Lawson.

Bill No. 109 for the relief of Margaret Malvina Cole.—Mr. Lawson.

Bill No. 110 for the relief of Quartus Bliss Henderson.—Mr. Lawson.

Bill No. 114 for the relief of Mildred Alma McCallum.—Mr. Lawson.

Bill No. 116 for the relief of Mabel Monk.—Mr. Lawson.

Bill No. 117 for the relief of Harry Edward Elvidge.—Mr. Tummon.

Bill No. 119 for the relief of Emily Anderson.—Mr. Bell (St. Antoine).

Bill No. 120 for the relief of Helen Marie Ferguson.—Mr. Hubbs.

DIVORCE COURT FOR ONTARIO

On the order being called for third reading:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, there are a number of members who would like to be present when the vote on this bill is taken but who are absent to-night. Therefore I should like the permission of the house to have the bill stand until next Tuesday, when I think it should be understood that the vote will be taken.

Mr. SPEAKER: Stand.

SUPPLY

POST OFFICE DEPARTMENT

The house again in committee of supply, Mr. Johnston in the chair.

The CHAIRMAN: When the committee rose at six o'clock we were considering vote No. 299, which is to be found on page 70 of the estimates.

Mr. MANION: When the committee rose at six o'clock we were discussing the question of salaries. The minister gave the committee the number of employees in the lower grades who received below $100 per month. He gave various figures, including 770 in the lowest grade and 800 in the next grade.

Mr. VENIOT: The total was 4,403.

Mr. MANION: Who were getting under $100 per month.

Mr. VENIOT: Before the committee rose at six o'clock I gave the following figures:

Letter carriers	2,763
Mail porters	770
Postal helpers	870
Total	4,403

The annual increase amounts to $120, so that in five years they would be receiving around $1,600. It must not be understood that the total number of 4,403 are receiving only $1,020.

Mr. MANION: Could the minister tell the committee how many are receiving that salary?

Mr. VENIOT: As far as I can find out, the average would be from 20 to 25 per cent.

Mr. MANION: Could the minister give a rough estimate of how many are receiving under $100 per month?

Mr. VENIOT: At the present time there are not more than 20 per cent of the 4,403 receiving the minimum of $1,020.

Mr. MANION: I would like to say a few words along the lines taken by the hon. member for North Winnipeg (Mr. Heaps). There are some hundreds of men receiving $100 per month or less. The minister pointed out last year, and has pointed out again this year—I believe he mentioned it two years ago as well—that the Civil Service Commission has recommended against any increase, and therefore that he is more or less helpless. I have no desire to question the word of the minister, and I do not do it in any offensive way, but it would seem to be obvious that if the minister and the government desired to increase the wages paid to these men in the lower grades, this House of Commons would support such a measure. It does not seem fair that the minister should place the whole responsibility upon the Civil Service Commission. This government has a statistical department which has issued figures showing that the cost of living for the average family in Canada is considerably more than the minimum paid to these men. In view of that fact, it would seem to me that the government might well set an example to the private employers and make a ruling which the Civil Service Commission would have to obey, or bring a resolution before the house. If that were done, I am sure the minister would receive the support of the whole house. The fact that the minister argued that there were many private corporations paying similar salaries is really no argument, because—

Mr. VENIOT: I did not make that argument.

Mr. MANION: Somebody did.

An hon. MEMBER: It was the Minister of the Interior (Mr. Stewart).

[Mr. Veniot.]

Mr. STEWART (Edmonton): I said that that was the basis upon which the Civil Service Commission fixed the salaries, in comparison with the remuneration paid for work of a similar character.

Mr. MANION: I thought it was the Postmaster General who had made that statement. The fact that private corporations pay a smaller salary is all the more reason why the government should set a good example. I do not think either the people of this country or the members of this house believe the minister to be absolutely sincere in this matter. He has taken the attitude that he is helpless before the Civil Service Commission, when in fact the government could bring in a resolution which would have the effect of forcing that commission to raise the salaries of these men.

Mr. WOODSWORTH: Mr. Chairman, I would like to add a few words in support of what has been said by the hon. member for Fort William (Mr. Manion) and by my colleague. The minister objected to the use of the word "dodging" by an hon. member, but it would appear that he is hiding behind the Civil Service Commission, because he has told us again and again that they are the ones who are responsible. When we ask him what he has done, he simply replies that he has asked what the Civil Service Commission has done. It seems to me that he is the one really responsible in this matter. The Civil Service Commission was not set up in order to control parliament; parliament is here to control the Civil Service Commission, and parliament has a right to look to the minister and to the government to introduce such legislation as will meet the needs of this case.

As has been pointed out to-night, there is no reason why legislation could not be introduced which would provide the minimum asked for, that is, at least $100 per month. If we stipulate that corporations having contracts with the government pay fair and adequate wages, there is no reason why the Postmaster General (Mr. Veniot) should not introduce such legislation as would ensure the employees of his department receiving an adequate and reasonable wage. The minister himself admits that this is not a living wage. If that is so, why does he not introduce this legislation, and introduce it at this session? I cannot conceive, in view of what has been said, of objection being raised by hon. members on this side of the house. The Postmaster General must be held responsible for the low wages being paid to his employees.

The Postmaster General has referred to the large number of applicants for the different positions. He contends that that is not the reason for the low wages, but why should it be referred to unless as an excuse? We have been told by the Prime Minister that the policy of his government is not to consider labour as a commodity; it should not be bought and sold subject to the fluctuations in the market. In spite of that statement by the Prime Minister, the Postmaster General apparently considers that wages can be kept down just so long as there are a large number of people seeking positions.

Mr. VENIOT: That is certainly a wrong interpretation of what I said.

Mr. WOODSWORTH: It is an inference, not an interpretation.

Mr. VENIOT: The hon. member has no grounds for such an inference.

Mr. WOODSWORTH: I think the house must judge of that. When the minister has it within his own power—

Mr. VENIOT: He has not.

Mr. WOODSWORTH: —to introduce legislation that will give a living wage and he refuses to exercise that power, and when he reminds the house that there are large numbers of people who are anxious to get jobs, what does that mean if not what I say? The minister does not tell us what it means. I think, as my colleague pointed out, that the number of applications is in itself an indication of the large amount of unemployment in the country, because ordinarily people would not accept $100 and less a month if permanent jobs at reasonable wages were being offered throughout Canada. While this situation indicates the large amount of unemployment, it is no excuse for our squeezing men because we find them on the verge of the bread line.

Reference has also been made to the low salaries paid to bank employees. We all know that the salaries paid to junior clerks in banks are nothing less than a scandal. The minister himself would have to admit that, but why drag that in as an excuse for the Dominion government paying low wages?

The Beatty report, to which reference has been made, makes this statement:

> Having in mind the obvious desire of the government as indicated by the reference to us, to improve the status of its technical officers with a view to increasing the efficiency of that branch of the service, it has occurred to us that an investigation of the civil service generally, that is, as to numbers, nature of work and rates of pay, might conceivably result in some economy and greater efficiency.

The Beatty report itself suggests this wider review of the situation. I cannot see why the minister should not follow up such a recommendation as this with regard not merely to the higher paid but also to the lower paid employees in the civil service. In a communication that I received a short time ago from the Amalgamated Civil Servants of Canada, I find the following statement:

> That to increase the salaries of the nearly 4,000 employees who were stated to be male adults receiving less than $1,200 per annum to that figure, would entail an extra cost of only $765,000 annually.

If this figure is correct, we have the figure that the hon. member for Fort William has been looking for. There are about 4,000 who are receiving under $100 a month.

Mr. VENIOT: Will the hon. member permit me to correct him? There are fewer than 4,000 receiving $100 a month. Out of that 4,403 mentioned, there would not be more than 20 per cent receiving under $100 a month.

Sir EUGENE FISET: The hon. member means the whole service.

Mr. VENIOT: I am referring to the postal service in regard to what the hon. member for Fort William has said.

Mr. WOODSWORTH: The hon. member for Fort William was trying to get some figures and I was giving it on the authority of the Amalgamated Civil Servants of Canada that altogether some 4,000 civil service employees are receiving $100 or less a month. Is that figure approximately correct?

Mr. VENIOT: I cannot speak for the other departments; I can speak only for my own.

Mr. WOODSWORTH: I am considering the larger question. As a matter of fact, the sum mentioned is only, by the most conservative estimate, one and one-half per cent of the civil service salary list.

The statement continues:

> Civil servants' salaries generally have by no means kept pace with those of workers in the important classes of the industrial world. We find from a study of the government's own publications that the wages and salaries of the latter class have, since 1913, advanced approximately 88 per cent, while the former have advanced only 64 per cent. Cost of living figures have risen as high as the latter figure, so that the standard of living of civil servants is, as a matter of course, far below that of his coworkers of outside employ.

Let me come back, in closing, specifically to the post office workers. I find in the statements presented yesterday by the Minister of Finance that the post office revenue for 1928-29 was $30,611,964, and the estimated revenue for 1929-30 is $33,345,000. Since the post office is such a large revenue bearing department of government, I think I am right in saying the only revenue bearing department, and since we have such large sums coming in, due no doubt not merely to the monopoly that exists but also to a considerable extent to the efficiency of the service rendered by large numbers of these comparatively low paid workers, the least that can be done under that circumstance is to ensure that those workers obtain a decent living wage. We can urge only, as we have done year after year, as the civil servants themselves have done for some ten years, that their salary shall be put on the basis of a reasonable wage. I ask the minister whether he can see his way clear this session to overcome any opposition which he says exists on the part of the Civil Service Commission, by introducing legislation that will establish a minimum wage based upon the cost of living.

Mr. PLUNKETT: I wish to add a word to what has just been said. It is strange that this readjustment of salaries should have had to be asked for during several consecutive sessions. When we consider the responsibilities of the postal workers and the character of the service they render, is it fair to ask them to work for $90 or less a month? They are looked upon in every home in Canada as messengers of good will. They bear tidings, sometimes of joy and sometimes of regret. Why should the house demur to the proposal that at least $100 a month be paid to the postal employees? I am not going to ask the house to compare them with United States postal employees, because if I did the Prime Minister would say: We turn to Westminster and not to Washington. But I submit that they are underpaid, they are certainly inadequately paid for the work they do and the responsibility they have to assume. I wish to concur in the sentiments expressed by hon. members who have spoken in this connection. We should raise the minimum salary for postal workers to $100 a month. I hope the Postmaster General will consider the matter, and I can assure him he will have my endorsation and vote in regard to any measures taken to accomplish that end.

Mr. CHAPLIN: I should like to inquire of the minister whether anything has been done respecting the rural mail carriers. Of all the employees of this department they are the worst treated in the whole of Canada and it is pretty nearly time that parliament felt ashamed of itself. This matter has been brought up time and again in the house and it is a condition that should be remedied. It is absolutely the worst instance in the whole civil service of employees being underpaid.

Mr. POULIOT: Is the hon. gentleman speaking of rural mail carriers?

Mr. CHAPLIN: That is what I am talking about.

Mr. POULIOT: I am in favour of higher remuneration for the mail carriers, and I have several times advocated the introduction of legislation for that purpose. The trouble is that in some parishes there are people who are crazy enough to submit a ridiculously low tender in order to get the contract. Apparently they consider it an honour to work for nothing. They are a nuisance to the community. When the fair value of a contract would be, say, $600, one or two people—one is enough— in a parish will be foolish enough to submit a tender for half that amount. The man who gets the contract is proud of it, and afterwards he complains to the member that he is not well enough paid. That is the way it goes. I know a gentleman who has been around this house for several years, who charges each of these mail carriers $5, and in that way collects for himself a sum aggregating about $5,000 a year. His name is Garfield McKinnon. He comes around this building with his propaganda urging that the salaries of these men should be increased. If there was some way of stopping the present stupid system of tendering under which a bid far too low is submitted and often gets the contract, there would be no trouble of that kind.

Mr. CHAPLIN: The way to stop it is to stop the tendering system altogether.

Mr. POULIOT: If the tendering system were stopped, then my hon. friends opposite would complain that the minister was giving the contracts to his friends. It is a very difficult proposition. I am sorry that the situation exists, but the remedy does not depend upon the department any more than upon my hon. friends who have just spoken. The trouble is with the men in the different parishes who are silly enough to underestimate the value of the contract and submit a low bid in order to take the contract away from another fellow who is carrying it on satisfactorily at a reasonable rate. I am sure no one in this house will deny that that sort of thing is going on.

Another thing: if these poor mail carriers were not silly enough to pay $5 a head to Garfield McKinnon, who goes around the corridors of the house with his propaganda that these men are underpaid, they would be better off. But he lives like a gentleman at their expense, and then comes here and complains that they are not getting enough money. The first point in his propaganda should be to urge all tenderers for mail contracts to put in a reasonable tender, and then there would be no trouble at all. Very often I go to the department to see Mr. Anderson, who is the friend of every member of this house, and he will tell me that such and such a tender is too low, but he says, we have to award it because that was the lowest tender. If that were not done I am sure we should soon hear from hon. gentlemen on the other side of the house. They would at once protest because the contract had not been awarded to the lowest tenderer, and would say that there was waste and no economy in the department. In other words they would preach exactly the opposite of what they are preaching now. I have great respect for my hon. friend from Lincoln, who is a business man, and if he could find a way of getting these people to submit decent tenders, I should be glad to broadcast his advice from this house with a view to getting better pay for the mail carriers. That man Garfield McKinnon is a pest to this house.

Mr. VENIOT: I was asked by an hon. gentleman if I had done anything since last year in connection with the rural mail carriers. This applies not only to the mail carriers on what are called the rural routes, the mail box routes, but to all contractors carrying His Majesty's mail in the rural districts, say from office to office, and so forth, and to the mail carriers in small towns who are carrying mail from the station to the post office, and vice versa. The claim has been made that the carriers on all these routes should be put on a yearly salary basis at a rate for the longer hauls of $70 a mile, and that the shorter hauls should be rated in a different way. I have had the officials of the dapartment go very fully into the matter, and I find that to grant what was asked would mean an extra cost of $7,000,000 a year for the transportation of mails by land alone in Canada. The Post Office department, at the present time at least cannot stand that increased expenditure.

I recognize that in some respects the tender system is a bad one because in numerous cases the tenderers have no idea of what it will cost them to carry on the work efficiently. Only within the last day or two I have had several applications for increases in mail contracts from individuals who tendered a year or so ago and got the contract because they put in the lowest tender, and now they find that they cannot do it for the money. The only remedy I have under the existing postal service law is to say to these people, "If you find you cannot do the work for the amount for which you tendered and upon which you received the contract, we will grant you the privilege of retiring from the contract and call for new tenders." But even when we make that offer, they will not accept it.

May I say further to the committee that out of a large number of offers of renewals of existing contracts that we have made, only four per cent of these renewals at the former price have been refused. Under these circumstances I cannot see how anybody can reasonably accuse the Post Office department of not treating these mail carriers right.

What the hon. member for Temiscouata has said is true to a certain extent. Up to three or four years ago there was no movement in Canada for placing these mail carriers on a salary basis. The individual that he named is the self-constituted secretary of an unorganized so-called postal carriers' association. I do not know how far this individual travels to the west, but I know that he has travelled right down to the Atlantic coast and has been in my own county. He goes to each mail carrier, whether he has a rural route or a post office route, and obtains from each $5, in some cases $2, and in other cases what he can get, as secretary of this so-called organization. I know whereof I speak because I have the evidence. He tells them that he is about to obtain for them an increase in the amount of their mail contracts.

Mr. SMITH (Cumberland): What objection is there to that?

Mr. VENIOT: Because it is not an organized association of mail carriers. The postal department recognizes every organization within the postal service that is properly organized, but not a self constituted organization of two men only.

Mr. SMITH (Cumberland): He is representing these men, is he not?

Mr. VENIOT: No, he is not even a mail carrier himself.

Mr. SMITH (Cumberland): He is paid by the men.

Mr. VENIOT: No, he goes around and collects money under false pretences for work he says he is doing, but is not doing.

Mr. GARLAND (Bow River): But, Mr. Chairman, what does it matter if the cause is good?

Mr. VENIOT: Up to that date there was no complaint as to the tender system.

Mr. BOYS: As the minister well knows, this American system has been urged in this house for the last ten years.

Mr. VENIOT: It could not have been, because it has not been in vogue in the United States until the last six or seven years.

Mr. BOYS: I am not suggesting the figure of seventy dollars a mile; I am referring to the system. When the minister says it has been in vogue only for the last three years, I wish to say that I spoke in this house on the question at some considerable length long before that period.

Mr. SMITH (Stormont): We do not want to copy anything from the States.

Mr. BENNETT: That is running true to form.

Mr. VENIOT: The American postal department are very sorry to-day that they ever adopted that system, and they would be glad to get clear of it. They find it is not working out satisfactorily. Now, when it means an additional expenditure of some seven million dollars, I think the postal department is doing right in hesitating before recommending to this house the change in the contract system.

Mr. STEWART (Leeds): Mr. Chairman, all that the Postmaster General has said sounds very much like a rehash of what he gave us last session.

Mr. VENIOT: It is the same thing, it is true.

Mr. STEWART (Leeds): The matter is in just the same position as it was last year.

Mr. VENIOT: It is.

Mr. STEWART (Leeds): I have before me what he said to the house last session, and there is no intimation from him that he has done anything in the meantime. Let me correct the minister. I am not aware that any member of this house suggested seventy dollars a mile as a minimum rate for rural mail carriers at all.

Mr. VENIOT: I did not say any hon. member had done so.

Mr. STEWART (Leeds): But it is upon the seventy dollar a mile rate that the Postmaster General raises this enormous figure of seven million dollars. There were several other suggestions made to him, one of them I recall being about as follows: that a study should be made of these different routes, that they should be classified under, say, four or five classifications—they are not all alike, the conditions vary—and for class one the rate should be perhaps only forty dollars a mile—

Mr. VENIOT: The average rate throughout Canada now is over forty-five dollars a mile.

Mr. STEWART (Leeds): That may be so; some may be very high and others low. I am suggesting that only as an illustration. The second might be forty-five or fifty dollars or higher. That suggestion was made to the minister. I have before me Hansard of 1929, and I find at page 1631 the minister was dealing with this question. Let me quote:

> Mr. Veniot: If the hon. member desires me to do so, I will have the contracts gone over and I will produce the information this week.
>
> I do not intend to deal with this matter at any greater length, beyond repeating what I said at the beginning. My attention was called to it in a casual way in 1928, and later on my attention was more closely drawn to it, I think towards the end of 1928. But from the spring of 1928 to the present time, some attention has been paid to the existing system, and we are reviewing the situation to see whether or not a more equitable system can be put into practice.
>
> Mr. Bennett: I think the hon. member means 1927, because he will remember that in 1928 we discused the matter.
>
> Mr. Veniot: Yes, it was in 1927 that my attention was first drawn to it. I thank the hon. member for the correction. I feel that I have enough information now to warrant my saying that the application of the United States system in Canada is an impossibility. But I do not say that a better system than the one we have cannot be put into practice and it is with that end in view we are at present reviewing the situation.

Apparently the situation has been under review and there is no remedy suggested; instead, an attack has been made on a gentleman who has, I submit, a perfect right to do what he is doing in the interests of these rural mail carriers. What possible objection can there be to a man, satisfactory to this class of public servants, going around interviewing them, getting first-hand knowledge of conditions and looking after their interests, and receiving from them, voluntarily, such contributions as they wish to make to him, he in turn presenting their claims to the Postmaster General for relief and help? I cannot see any objection to that. The Postmaster General seems to think his activities are beyond the pale altogether and says this man is extorting money from the people. On what does he base any such statement?

Mr. VENIOT: I will answer my hon. friend right now. I have letters received from mail carriers throughout the country asking who this man is and what right he has to demand money from them.

Mr. BENNETT: He has no right.

Mr. STEWART (Leeds): That is not extortion; they are not compelled to pay him anything unless they wish to do so. It is a purely voluntary arrangement.

Mr. VENIOT: They say not.

Mr. STEWART (Leeds): The minister is endeavouring to hide behind a smoke-screen; he is not dealing with this question honestly or fairly, nor is he treating this class of public servants as they should be treated. From year to year there is the same evasion; the matter is under consideration, we are reviewing it. But he does not get anywhere with it, and I do not think he intends to do so.

Mr. BOYS: Mr. Chairman, I have expressed myself on two or three occasions in the past on this matter and I have very little to say now. I have no charge to make against the minister in this connection, but I want to say to him in all sincerity that I do not think there is a servant in the service of Canada as poorly paid as the rural mail carrier. Taking the average route, which is perhaps fifteen miles, the average pay is about forty-five dollars a mile—$675—for working every day in the year except one day, unless there has been some change made since two or three years ago when, I understand, one holiday a year was granted. I am not including Sundays, of course.

Mr. VENIOT: The hon. gentleman is mistaken; they are not all daily services.

Mr. BOYS: As far as my county is concerned they are daily services. There may be an isolated case or two.

Mr. VENIOT: It is not an isolated case at all; there are hundreds of them.

Mr. BOYS: I am speaking of the settled parts of the country. Take my own county of Simcoe—I presume it is typical and therefore take it as an illustration. As far as I know every solitary rural service in the county of Simcoe is a daily service, excluding Sundays. Will the minister say that is not so?

Mr. VENIOT: That is the rural service?

Mr. BOYS: That is all I am speaking of.

Mr. VENIOT: We are talking generally now of mail carriers. The hon. gentleman will excuse me, but I just wish to put the record right.

Mr. BOYS: There need not be any misunderstanding.

Mr. VENIOT: You have in your locality regular services three times a week.

Mr. BOYS: I am speaking of the rural mail carriers; I thought the minister would know that when I took a typical route of fifteen miles at $45 a mile. Is there any other postal service that that would apply to except the rural mail carrier?

Mr. VENIOT: Certainly, there is the service from post office to post office, which is not a rural box service.

Mr. BOYS: That is not by the mile, though.

Mr. VENIOT: Yes it is, and it is under tender the same as the others.

Mr. BOYS: That is quite immaterial, anyway. I wish to make my statement very definite and I would like the minister to understand it. I am directing my remarks towards the conditions affecting the rural mail carriers. Let us take the case of the average service of fifteen miles for every day in the week except Sundays at an average cost of $45; some are as low as $40 and some as high as $60, but we will take the average of $45 a mile, which makes a total of $675. That is not $2 a day all the year round, and as far as I know these men have only one holiday in the year with the exception of Sundays. They have to maintain a motor car for summer service and one or two horses for winter. I have nothing to say against the civil servants; I have nothing to say against mail carriers from the cities, but when I hear of pleas being made on behalf of the urban carries for increased pay I wonder what those who are seeking assistance for them think of the salaries paid to rural carriers. No matter what the weather may be or what the condition of the roads, the rural mail carrier has to cover his route. In many places the roads are in wretched conditions; while the carrier can remain on the main highway his progress is somewhat easier, but when he turns to the side lines and concessions in many cases he cannot get throught without extreme difficulty. The only answer is that the work is let by tender and the department takes the attitude that it will not pay more if it can get it done for the small sum which is paid to the rural carrier. I say to the minister that there is not a service of the government let out by tender which could not be performed for less money than is paid at the present time. I hold no brief for Mr. McKinnon; in some respects I think they could get a better advocate, but I am not here to

say anything about him. The fact that these men, voluntarily or with a little persuasion see fit to, have Mr. McKinnon represent them is a matter of their own concern. It does not belong to me and it does not belong to the minister; if they choose to let Mr. McKinnon represent them it is entirely their own affair. I am not advocating the payment of $70 a mile; I do not think it is fair to take that attitude, but in my opinion it is a matter which should be worked out. In the main, there are two kinds of routes; there are the routes where the roads are sandy or hilly and where travel is difficult, and there are the routes where the roads are good and the country is more or less level. It might be that one price should be fixed for certain routes and another price for others. It is my view that steps should be taken towards fixing, not a living wage but something within the realm of fairness for the services of these rural carriers.

Mr. VENIOT: They do not do this work for a living.

Mr. BOYS: I have heard that statement before. We are told that very early in the morning when the dew is on the ground they could go out and hoe potatoes and that when they come in at night they could do something else. The point is, however, that these men have to be on the job. They have to plug through in the winter with the horses and use the motor in the summer, true, they might use the motor for other purposes. I am sure the minister will not say to this house that he thinks $675 is sufficient remuneration for a rural mail carrier who covers a route of fifteen miles. Surely the minister will not say that;—I know he is too fair-minded to suggest such a thing. No doubt his answer will be that the department calls for tenders and that if the carriers are content to work for such small salaries they may do so.

Mr. VENIOT: The tenderer does not think he is worth a greater sum when he puts in his tender.

Mr. BOYS: Oh, yes he does; not one of them is satisfied. Many of these men have been devoting themselves to the service for some years; they have horses and motors, and if they lost the work they would not have anything to do. In many cases they are men sixty or sixty-five years old and as their powers of labour are becoming limited they do not want to give up the work. This work provides a living for them. I believe the time has come, in view of increases in other lines of work, when the minister should consider some increases for the rural mail carriers. I made the statement that I had addressed remarks to this particular question on another occasion, and to substantiate my statement I have before me Hansard of April 13, 1923. On that occasion and on several others I made some statements upon this subject. The minister may rest assured that this suggestion of a given rate per mile has not been developed in the last two or three years. I endorse what has been said on behalf of the rural mail carriers; I do not wish to see them get an extraordinary amount and I would not suggest that the country could afford to pay an increased expenditure of $7,000,000. However there is a big difference between that total and an increase from the present rate to $55 or $60. I do not believe such an increase would any more than exhaust the surplus about which the minister boasts at the present time.

Mr. VENIOT: I am boasting of no surplus, because there is none.

Mr. BOYS: I thought there was a surplus of $2,000,000.

Mr. ROBINSON: I wish to revert to the question of letter carriers. For the last four years, with one exception, I have mentioned the high cost of living in the border cities. In 1927 the minister promised me that he would look into the situation and in 1928 he replied as follows:

> Mr. Veniot: I did look into it and I made a recommendation to the Civil Service Commission for an increase in salary. That recommendation has not been acted upon and I am not in a position to do any more.

I would like to know what increase that recommendation was for and whether it was to cover the extra cost of living.

Mr. VENIOT: If I remember correctly the documents were laid on the table last year.

Mr. ROBINSON: I was not here at that time last year.

Mr. VENIOT: If I remember correctly the recommendation was for an increase in the minimum and the maximum so that the employees would receive over $100 a month to begin with.

Mr. ROBINSON: I was under the impression that it was $60 a year or $5 a month. If I am correctly informed, the responsibility of the letter carriers in the cities has considerably increased during the last four or five years. Apparently there are many more

circulars and parcels to be delivered; there is the sale of stamps, and numerous other duties have to be attended to. In 1920 the letter carriers of Canada were receiving more than the letter carriers in the city of Detroit. For the information of hon. members I shall place on Hansard the figures for the year 1918 and for the last three years. In 1918 the minimum in Canada was $626 a year and the maximum $939, with a bonus of $350, bringing the total up to $1,289. In the same year in the United States the minimum was $800 and the maximum was $1,200. At that time the Canadian letter carrier was receiving more than the letter carrier in the United States. In 1920 the minimum in Canada was $780 and the maximum was $1,260 with a bonus of $396, bringing the total up to $1,656.

Mr. VENIOT: Those figures apply to Canada?

Mr. ROBINSON: Yes, those figures apply to the Canadian letter carrier.

Mr. VENIOT: May I correct the hon. gentleman by saying that the bonus would not apply to $1,260 until they had reached their maximum. It would begin to apply at $780.

Mr. ROBINSON: The bonus in 1924 was only $18, and the Canadian letter carrier during 1927, 1928 and 1929 received a minimum of $1,080 and a maximum of $1,700, as against a minimum of $1,500 in the United States and a maximum of $2,100. I should like to place this table on Hansard, with the permission of the committee.

Statement of salaries paid Letter Carriers, Dominion of Canada and U.S.A.

		Minimum	Maximum		Bonus	Total
1918	Canada	$ 626	$ 939		$350	$1,289
	U.S.A.	800	1,200			1,200
1919	Canada	626	939		420	1,359
	U.S.A.	1,000	1,400			1,400
1920	Canada	780	1,260		396	1,656
	U.S.A.	1,000	1,500			1,500
				Bonus Reduced		
1921	Canada	780	1,260	25½%	297	1,557
	U.S.A.	1,400	1,800			1,800
	1922 and 1923 same salaries.					
1924	Canada	1,080	1,440		18	1,458
	U.S.A.	1,400	1,800			1,800
1925	Canada	1,080	1,440		18	1,458
	U.S.A.	1,700	2,100			2,100
	1926 same as 1925.					
1927	Canada	1,080	1,500			1,500
	U.S.A.	1,700	2,100			2,100
	1928 and 1929 same as 1927.					

N.B.—5% deducted for retirement or superannuation fund.

Mr. VENIOT: Surely you would not want that comparison to go on Hansard, because it will lead someone astray, and I know you do not wish to do that.

Mr. ROBINSON: The bonus in 1919 was $420.

Mr. VENIOT: But you were adding it to the maximum, I think.

Mr. ROBINSON: I think these figures are correct, and I should like the Postmaster General to give a little consideration to these letter carriers.

Miss MACPHAIL: I agree with the sentiments expressed by the hon. member for North Simcoe. In Grey county I think in all cases we have daily mail service, and that is a county hard to travel, with a number of hilly back roads. I believe the rural mail carriers in Southeast Grey are very badly paid, and while I realize that under the tender system it is their own fault, yet there are just two kinds of people who submit these tenders. On the one hand you have the man who has been doing the work, who has the equipment, and who fears that he will be underbid by an inexperienced man who may not know the cost of the equipment or the work which will be required. The inexperienced man is likely to tender at a lower figure than the man who has the equipment, and the other man feels that to hold his job he must put in a still lower bid, with the result that the man who gets the contract does the work for less than it is worth.

The minister says the government cannot afford to pay the carriers any more. I would respectfully suggest that it would have been better to keep the postage rate at three cents and pay the men who deliver our mail a living wage than to reduce the postage to two cents

and not pay a fair wage. I realize that it will not be an easy thing to change the whole method of paying rural mail carriers, but surely some system could be introduced better than the one we have now. I know there are probably half a dozen different kinds of routes, but surely they could be graded and wages paid according to the kind of route covered. In communities where they can use a car all year round, with improved highways on which to travel, it may be a simple matter to deliver the mail in a very short time with an old car, but in the county of Grey these carriers cannot possibly use a car in the winter time and unfortunately we only have about six months of summer. Then it becomes very hard work for these rural mail carriers to make their rounds. I do not know of any service that has brought as much joy and contentment to those living in the country as has been brought by the rural mail delivery. Had I been choosing a secretary for the rural mail carriers I am quite frank to say my choice might have been different, but that is nothing to me and I doubt if it is anything to the Postmaster General. I am quite sure that if the rural mail carriers had not felt that they were poorly paid and had a real grievance no one on earth would have been able to secure money from them to improve conditions. I want to say these few words to help the other members who are seeking to have something done to better the condition of the rural mail carriers.

Mr. BOYS: When I made my few remarks a short time ago I did not have Hansard before me. Now I should like the minister to know what was said by myself and others on April 12, 1923, in view of his statement that this matter had been brought to his attention only within the last two or three years. I refer to page 1781, where I am credited with these remarks:

> Let us make a comparison or two. What is the system in vogue in the United States? There they adopt the uniform system of $75 a mile, and the position is a permanent one so long as the work is properly performed. Why should not some such system be adopted here? The only objection I have heard to it is that there is a variation in the routes; one route is harder than another, and for that reason such a basis of remuneration might not work out fairly. Well, it must work out fairly in the United States or they would not have adopted it there.

And again at page 1782:

> Now to satisfy these men I would suggest that they be put upon a par. If the country cannot stand what is being paid in the United States, $75 a mile, perhaps it should be made less. I do not know for certain what the carriers themselves are urging upon the government, but I have heard it placed at $70. It seems to me that that can be gone into, and when it is gone into a reasonable allowance can be made.

[Miss Macphail.]

This has been a live question for the last ten years, and it does seem to me it is time something was done.

Mr. McGREGOR: Since I have been in this house this question has come up every year, and I think it hardly worth while to try to convince the minister that he should do something for these people who are so poorly paid. However, there is one question I should like to bring to his attention. I should like to know if there is a fair wage clause inserted in the contracts for mail collection in the big cities?

Mr. VENIOT: Yes.

Mr. McGREGOR: What is it?

Mr. VENIOT: The sum is not fixed, but it is supposed to be the wages paid for similar work in the city where the contract is let.

Mr. McGREGOR: Then would that mean that the wages paid on government building in that city would be the fair wage for these mail collectors?

Mr. VENIOT: No, it would be the current wages for similar work. I may say that I have had only one complaint along this line, which came about three or four weeks ago from Vancouver, if I am not mistaken, and the departmental officials immediately took up the matter with the contractor. The complaint was that the contractor was paying very small wages to those who collected the mail from the boxes. We took up the matter at once and are awaiting a report from our superintendent.

Mr. McGREGOR: The information I have comes from the city of Toronto. The men start to work at 6.30 a.m.; they are off for different periods during the day, but they are on duty fifteen and a half hours per day and actually work ten hours and thirty-five minutes daily. They are off one day every week and one Sunday out of every four, and these men receive $16 per week. I should like to ask the minister if he is aware of that condition.

Mr. VENIOT: No. I am not aware of it. I think if that condition did exist in Toronto some official there would have made the department aware of it. I do know, however, that in comparison with the mail service throughout Canada, the delivery in the city of Toronto is considered to be the very best.

Mr. McGREGOR: I have no complaints to make about the collection or delivery of mail; the complaint is that the men doing that work, thirty-three of them, receive only $16 per week. I should like to ask the minister also whether the men in the mail service come under the Workmen's Compensation Act?

Mr. VENIOT: No, they do not come under the compensation act, but you will find in the estimates an amount of $5,000 which was devoted to the relief of men who were victims of accidents in the discharge of their duty.

Mr. ERNST: Was that paid to their dependents?

Mr. VENIOT: No.

Mr. McGREGOR: Does the minister not think that these men who are driving their horses and wagons all day long should receive some compensation?

Mr. VENIOT: I believe that most of the men come under the compensation acts because they are hired by contractors—they are not civil servants.

Mr. McGREGOR: I am told that they do not.

Mr. ERNST: Of course they do not.

Mr. VENIOT: That is not our fault; that is the fault of the Ontario Compensation Act.

Mr. McGREGOR: This government lets the contracts.

Mr. VENIOT: It is quite true that we let the contracts, but the contractors are subject to the Ontario Compensation Act; we have nothing to do with that act.

Mr. McGREGOR: Is it not up to the government when they let these contracts, to see that the law is carried out?

Mr. VENIOT: There is nothing whereby we can enforce a civil law in any province. The compensation act is a civil law of the province of Ontario, applicable to all men working under contracts.

Mr. ERNST: The hon. gentleman knows differently.

Mr. VENIOT: Why?

Mr. ERNST: It is not applicable to the individual employee.

Mr. VENIOT: I did not say it was applicable to the individual employee.

Mr. ERNST: You said it was applicable to all men.

Mr. VENIOT: Working under contracts.

Mr. ERNST: That would not apply to the individual employee in New Brunswick.

Mr. VENIOT: I referred to the contractor having ten men or one hundred men under him.

Mr. ERNST: If it is applicable to all men, it would be applicable to one man only; surely the Postmaster General does not mean that?

Mr. VENIOT: I am sorry I cannot make the hon. gentlemen understand what I mean.

Mr. McGREGOR Will the Postmaster General investigate this case?

Mr. VENIOT: If the information has been received from a reliable source, and the hon. member will give me that information, then I will investigate it. I will not investigate such cases upon rumours; I have the right to know the source of the information.

Mr. McGREGOR: I can assure the hon. minister that this is not a rumour. This man would lose his job if it were known the information came from him.

Mr. VENIOT: He is not an employee of the Post Office department.

Mr. McGREGOR: He is the employee of a man who has the contract from the Post Office department, and I see no reason why that man's name should be divulged simply because the minister is being arbitrary in this matter.

Mr. VENIOT: I am not being arbitrary, but if the hon. member has not faith enough in me to give me the name in confidence and accept my word that it will be kept in confidence, then it should not be expected that this case will be investigated.

Mr. McGREGOR: I have given the minister the information and if he does not accept it I will not give him the name.

Mr. VENIOT: I will instruct the superintendent to make an inquiry.

Mr. McGREGOR: That is all I ask.

Mr. VENIOT: But not on information given in that way.

Mr. BEAUBIEN: I have a great deal of sympathy for any man who is underpaid, and I agree to a large extent with the remarks made by the hon. member for Southeast Grey. However, I think the hon. members for Southeast Grey and North Simcoe are making a

mistake in blaming the department and the minister instead of the men themselves. I think the main trouble which many members of parliament have—

Mr. BENNETT: Is in getting elected.

Mr. BEAUBIEN: —is the number of complaints received as to the service rendered by the men who carry the mail from the trains to the post office and on the rural routes. When these complaints are investigated it is generally found that those making the complaint have a friend whom they desire should be given the contract.

Mr. SMITH (Cumberland): Does the hon. member claim that the carriers are paid enough?

Mr. BEAUBIEN: No, but I claim that the fault is with the men rather than with the government. I do not think there is one mail contract in my district which, if it were thrown open, would not be bid for by at least ten men.

Mr. ERNST: Will the hon. gentleman permit a question?

Mr. BEAUBIEN: Will the hon. member allow me to complete my remarks?

Mr. ERNST: Has the hon. member's district shared in the abundant prosperity we have heard so much about?

Mr. BEAUBIEN: My district will have shown its state of prosperity when I return after the next election. The hon. member knows how I came back in 1926 in spite of all the mud that was slung by the opposition. They slung so much mud that they got mired in it themselves and they could not get their nomination before the returning officer.

The Postmaster General and the Post Office officials are not to blame for the underpaid rural mail carriers or the underpaid carriers who carry the mail from the trains to the post office. I know that if those tenders were opened to-day there would be at least ten bids on each one. They are all trying to cut one another's throats. Many of these carriers transport commodities for the different farmers, and thus make a little additional money.

Mr. ADSHEAD: As the hon. member (Mr. Beaubien) has just said, I do not think that all the blame must rest upon the Postmaster General or upon his department. Not so long ago the Minister of Labour introduced in this house an eight hour fair wage bill in which he was given the power to set fair and reasonable wages. I think it would be perfectly feasible for the Postmaster General to make a survey of these rural mail routes and set a fair and reasonable wage to be paid to the carriers. There are men in his department who could survey these routes and if it was found that a man was carrying mail at a wage which was not fair and reasonable, that wage could be raised. If the Minister of Labour can set a fair and reasonable wage to be paid to men working on certain contracts, then the Postmaster General should be able to do likewise. I think he would do well to take this matter under consideration and have these mail routes surveyed and set a fair and reasonable wage for the services rendered.

Mr. YOUNG (Saskatoon): Mr. Chairman, it is my opinion that these rural mail carriers do not receive an adequate return for the services they perform; nevertheless I find it rather difficult to shed crocodile tears over men who set their own wages. These men tender for these jobs, and they tell me that they can take the contract at the price tendered because they are enabled to render this service in addition to their other work. They are under no obligation which pledges them to undertake the work at a particular price. I do know that some contracts have been taken at what appears to me to be too low a price; however, that is their own business.

I would like to say a word to-night, as I have on previous occasions, regarding the letter carriers in the cities. I have always been under the impression, and I am under that impression to-night, that the men in the lower grades are not receiving a sufficient salary for the work they do. I would like the Postmaster General to give this matter his consideration, as I would like to be one of those assisting in giving these men in the lower grades of the service a higher initial salary. It is strange that the Civil Service Commission seems to run that part of the show and that parliament is apparently powerless to take in the matter the stand which it desires to take. I have a good deal of respect for the Civil Service Commission and I suppose they would tell me that if they set a higher standard in this department they would have to go over all the departments. If that is their point of view I am quite satisfied that they should do so.

I have nothing to say to-night about the report of the Beatty commission, but I have some firm convictions in regard to it and I think we should give serious consideration to these, the lowest paid employees, before we talk of giving the higher paid men any further increases.

Mr. ERNST: I would ask the hon. member for Saskatoon whether he thinks a man who under economic duress tendered for a job and took it at a certain price, should not be permitted to ask for a higher salary. Many of these men have taken these jobs under conditions which really amount to duress. They have been obliged by economic circumstances, in order to earn a living, to take these jobs at prices at which they would otherwise never have taken them; yet the hon. member for Saskatoon says that they have bargained to take these jobs at certain amounts and they should stick to their bargains.

Mr. YOUNG (Saskatoon): I did not say anything of the kind. I said that they set their own price.

Mr. ERNST: That is the inference. The hon. member said that they had taken a job at a certain price and consequently he had not so much sympathy for them, if I may quote his own words. The minister, being an honorary LL.D., as is disclosed on his calendar, will appreciate the meaning of the word "duress."

Mr. VENIOT: It does not take any more brains than the hon. gentleman has to learn what it means.

Mr. ERNST: The minister has advertised on his calendar his honorary LL.D.

Mr. VENIOT: I was entitled to it or I would not have got it.

Mr. ERNST: Many of these men have taken these positions under duress. In order that the circumstances may be known I should like to cite a few instances from a return which has been made in regard to my own constituency. I have not the mileage, but no doubt the Postmaster General can supply that information, and I am fairly familiar with the number of trips the men are obliged to make a week. I will not give the complete list, but these are a few of them:

Name of Service—Contractor—Cost per Annum
Baker Settlement and Upper Chelsea via Chelsea: A. Weagle, $185.

The round trip is between thirty-five and forty miles.

Name of Service—Contractor—Cost per Annum
Block House and Sweetland via Farmville: A. Slaunwhite, $120.
Bridgewater and Pine Grove: A. Veniot, $64.

This is a bi-weekly service. Some of them are bigger sums, the mileage being larger and the service greater, but these are typical.

Name of Service—Contractor—Cost per Annum
Caledonia and Westfield: S. Frail, $60.
Camperdown and Middlewood: Estate of James Z. Wamboldt, $72.

The mileage between Camperdown and Middlewood is about six miles each way.

Name of Service—Contractor—Cost per Annum
Cherryfield and Sarty's: H. Robar, $69.33.

I have no doubt the previous contract was for $70, and this gentleman, being a friend of the government, cut the price sixty-seven cents. It is approximately four miles each way.

Name of Service—Contractor—Cost per Annum
Danesville and railway station: A. Whynot, $52.
Hemford and Nineveh: A. Lohnes, $75.

Mr. VENIOT: Why does the hon. member not give the frequency of the service?

Mr. ERNST: I will give the whole schedule if the minister would like me to do so.

Mr. VENIOT: There is no difficulty about giving the frequency.

Mr. ERNST: Those I am giving are bi-weekly and tri-weekly. If the minister thinks a man can perform a six-mile service bi-weekly for $60 and come out square, he is certainly practising the doctrine known as duress. He is taking advantage of a situation, whereas if any business man did so he would be run out of the community.

Name of Service—Contractor—Cost per Annum
Hemford and railway station: W. Silver, $65.
Lunenburg and Second Peninsula: A. R. Zinck, $52.

The distance is approximately six miles, and the service is bi-weekly.

Name of Service—Contractor—Cost per Annum
Middlewood and railway station: Mrs. Annie Slauenwhite, $35.

This is a bi-weekly service and a distance of about two miles. Those comprise all the items which I purpose giving from this return, but anybody who desires to look at it may have it. I have only to add, if the minister considers those adequate remunerations for the services rendered and commensurate with what is paid to other people in my district who are rendering the same value in work, then he is certainly taking advantage of conditions which exist or have existed and is doing no credit to the government of which he is a member.

Mr. MacDONALD (Cape Breton South): What salaries are now paid to the letter carriers, for instance, in Sydney and Glace Bay?

Mr. VENIOT: They start at a minimum of $1,080, and rise to $1,500 which is reached by an increase of $120 a year.

Mr. MacDONALD (Cape Breton South): When we consider the class of men we must employ in that service in those two places—and I know something about the men; they are responsible; they have to handle a great deal of mail and money—their salaries should be materially increased, and I hope the Postmaster General will give the matter his attention.

As regards the item of $5,000 compassionate allowance, on February 26 I put on the order paper a question regarding the case of Robert Atkinson who on February 6, 1929, was injured in carrying the mails. I wanted to know whether any provision had been made to recognize officially this man's bravery and devotion to duty. The minister was good enough to reply that he was taking steps to ascertain the exact conditions with a view to assisting him. On April 21 I got this notice from the man:

> Robert Atkinson, veteran mail driver, who in a brave attempt to get the mails here from Glace Bay last February, almost lost his life on the Glace Bay sand bar, where he was found almost frozen to death, arrived home to-day from the general hospital at Glace Bay where he was a patient for several weeks, and where it was found necessary to amputate four fingers completely and the tips of the other four in order to save his life. Mr. Atkinson, although well past the military age, enlisted in the great war and served with the Canadians in France. His last great feat of courage and bravery in attempting to carry the mails across the sand bar in a raging blizzard after he had lost his horse, has been brought to the attention of the postal authorities and was not long ago brought up for discussion in the house of parliament at Ottawa, and no doubt Mr. Atkinson will be suitably rewarded for his bravery. He takes his severe loss philosophically and states it might have been worse.

Up to April 21st he had heard nothing from the minister. Is it the intention of the minister to make any substantial grant in this case?

Mr. VENIOT: Did I understand the hon. gentleman to say that up to April 21st Mr. Atkinson had heard nothing from the department?

Mr. MacDONALD (Cape Breton): That is my information.

Mr. VENIOT: The hon. gentleman's information cannot be correct. If it is, the department in that section of the province is certainly neglecting its duty, because the moment I got word of Mr. Atkinson's accident—it was more than that, because he showed great bravery and great devotion to duty in the services he rendered on that occasion—he was approached when in hospital concerning the matter, and he said that he felt he had only done his duty. When that matter was reported to the department I issued an order that as soon as Mr. Atkinson left the hospital it should be ascertained what material damages he had suffered in loss of time and of his horse, as well as the extent of his injuries, so that we might consider what compensation should be granted. We are awaiting a final report on that matter. I can assure the hon. gentleman that the case of Mr. Atkinson will be taken care of.

Sir GEORGE PERLEY: I would like to draw to the attention of the minister the case of a post office which has been closed in the constituency of Argenteuil.

Mr. VENIOT: What is the name of it?

Sir GEORGE PERLEY: The name is Dalesville. I had a question about it on the order paper, which was answered on March 10 last. This post office is one of the very oldest in the Dominion. According to the answer given me, it was originally established on June 1, 1853, so it is one of the oldest post offices that we have. It is a very old community, settlement having taken place there over a hundred years ago. Only three or four years ago the Baptist church there held the centenary celebration of its foundation. It is a small community, and the land is not very good thereabouts, but at the same time I protest as strongly as I can against the closing of a post office like that after all these years. I have asked the reason.

Mr. VENIOT: Will the hon. gentleman read the reason?

Sir GEORGE PERLEY: Certainly. I have it in front of me. The reason given is that the post office was closed because they could not get anybody to keep it at the remuneration offered by the department, and the answer also states that the post office will be opened as soon as a suitable candidate can be found who is willing to accept it at the regular salary. What is the salary? It is $181 a year. I am much in sympathy with the pleas that have been made for employees of the Post Office department in the cities and towns, but here is a post office which is needed by that community and which has been closed after all these years. It is true that the revenue is not large, and prehaps that is a reason why the postmaster has not been paid more, but this community is now without a post office because remuneration is so small and no one can be found to take the office at $181 a year. There must be something wrong with the system for that to occur.

Mr. BOTHWELL: How many people get their mail at that post office?

Sir GEORGE PERLEY: I do not know. It is a small community, and as I have said, the land thereabouts is not good. But I want to draw to the minister's attention the fact that from this post office there was a mail route to another post office, to Pine Hill and St. Michel. Now the carrier has to make the trip from Dalesville to Brownsburg, a distance of three or four miles, in order to get the mail which he used to get at Dalesville. The reason he got it there was that there was one route going from Brownsburg, and he took the mail bag for the carrier who was going to Pine Hill. But now he has to make this extra trip. So the post office could very well afford to pay more for keeping the post office at Dalesville open.

Mr. VENIOT: I am sorry that we cannot do it under the law.

Sir GEORGE PERLEY: May I point out to the minister that the Post Office department is put to extra expense on account of the closing of this post office, because the mail carrier going to Pine Hill has to go several miles farther on his round. Surely the post office can afford to pay that much more. As a matter of fact, they are paying it now. Not only is the post office at Dalesville closed, but as a matter of fact the Post Office department has to pay extra for carrying the mail from Dalesville to Brownsburg, which it did not have to do before. So if the department gave that much more to the postmaster at Dalesville, the department would be no worse off and the people would have the service. What is going to happen if nobody will take the post office at the present rate?

Mr. VENIOT: We can put it on a rural route.

Sir GEORGE PERLEY: All right; give them a rural route.

Mr. VENIOT: That is what I am considering now.

Sir GEORGE PERLEY: That would be quite satisfactory but I feel very badly about this post office which we have had since 1853 being closed, and the people of that district being without postal service.

Mr. VENIOT: That case was brought to my attention by the hon. gentleman's question some time ago, and I am looking into it. I can assure the hon. gentleman that either that office will be opened or we will place it on a rural route.

Mr. GEARY: I want to know if my memory is correct as to what the Postmaster General said last year, that the objection raised by the Civil Service Commission to giving an increase to the letter carriers was that if that were done there would be other classes in the service who would feel that they were entitled to the same rate. I am told to-night that there are about forty thousand civil servants, of whom nine per cent, or something like thirty-five hundred, are receiving less than $100 a month, less than $1,2000 a year. Perhaps the Postmaster General cannot take up the question in the large, but surely it is not valid on the part of the Civil Service Commission to object that if they raise the letter carriers' pay they are bound to raise the pay of other civil servants who are drawing less than $1,200 a year. Certainly $1,200 a year for a male adult is little enough as a minimum. It seems to me that the answer of the Civil Service Commission should not commend itself to the Postmaster General. If all they can say is: "If we raise the mail carriers to a minimum of $1,200 we shall have to raise other civil servants to a similar minimum", then I think the Postmaster General, together with his colleagues should say, "Very well, that is perfectly satisfactory to us, because we do not want to see any of our adult male workers at a salary less than twenty-five dollars a week of $100 a month". May I point out to the minister that if he were to cut down on one expense, entirely unwarranted—I am referring to the carrying of certain newspapers at a tremendous loss—he would have more than enough money to make this increase in wages. To-day he is carrying newspapers at a loss of millions of dollars—

Mr. CHAPLIN: At a loss of $7,000,000.

Mr. GEARY: At any rate, at a loss of millions of dollars. His department could raise these salaries if it cut down this loss in a reasonable way.

It is said by my hon. friend from Winnipeg North Centre (Mr. Woodsworth) that the Beatty report contains a suggestion that the whole matter be investigated. With that I am perfectly in accord, but the granting of an investigation is only a postponement of the increase, and while I shall be very glad to see such an investigation instituted in due time, I do not think we should relax our efforts in the meantime to get an increase for these letter carriers. Let me remind the hon. minister that in 1924 the then Postmaster General recommended that the maximum salary of these men be $1,560. They were then getting a cost of living bonus. The cost

of living has not decreased since 1924. But in answer to that recommendation of the then Postmaster General the Civil Service Commission did what? They established a maximum of $1,440 and cut off the cost of living bonus, thus effecting at the moment an actual reduction in the pay of the letter carriers. If there was any reason in 1924 for that cost of living bonus, a bonus to enable a man to live, that reason is just as strong to-day as it was then. It seems to me the Civil Service Commission was not standing on solid ground when it pretended to accede to the recommendation of the Postmaster General and at once, by cutting off the cost of living, in effect reduced the then prevailing salary. It should also be borne in mind that the letter carriers now perform several additional important functions having to do with money collections on delivery of packages, insurance, and so on.

Let me once more remind the minister that he has done nothing this year towards pressing this matter on the attention of the Civil Service Commission. I suggest to him the time is ripe for him to do so. I cannot believe that he has yet made his best effort in that direction. A year has elapsed and perhaps the mind of the Civil Service Commission has changed. At all events the commissioners may be more amenable to reason. I would suggest that this item should not pass until the Postmaster General agrees to go to the Civil Service Commission with the backing of the government and get an adequate reason from that quarter as to why this increase should not be granted.

Mr. MacDONALD (Cape Breton South): May I direct the attention of the Postmaster General to a case similar to that already referred to? I am informed that the post office at Holmville has been closed. It had been opened for eighty-five years. True, there is not any very large settlement there, only twelve families, but now they are obliged to go from two to four miles for their mail. Will the hon. Postmaster General see if he can establish a rural mail delivery there?

Mr. VENIOT: That post office was closed because the revenue was only $1.95 a year, while we were paying $100 to the postmaster and from $75 to $100 for transportation of mail. However, I will look into the matter more closely and see if the hon. gentleman's request can be dealt with.

Mr. MacDONALD (Cape Breton South): I do not think that the revenue from a post office should be the determining factor.

[Mr. Geary.]

Mr. VENIOT: That is quite true in many cases.

Mr. MacDONALD (Cape Breton South): Of course, it should have some weight, but if it is possible to put that office on a rural route, will the minister consider it?

Mr. VENIOT: I will look into it.

Mr. BENNETT: Might I ask the minister between now and the day when we again take up his estimates to look into two or three matters? (1) Can he supply us with information as to how many men have been added to the letter carrier and other branches of his service who are not subject to the Civil Service Act? (2) What is the maximum salary they are receiving? (3) Is it not possible for the minister so to adjust the revenues derived from the services rendered by making the charges therefor—if necessary securing the sanction of parliament for the purpose—such as to permit of this country paying a decent wage to its postal employees? I should like to say that I cannot think of anything less than $100 a month as reasonable remuneration. The first two questions are purely questions that can be answered by the officials of the department securing the information. The third involves a consideration of the entire sources of revenue—stamps, money orders, and the carriage of newspapers and parcels. The theory of the post office service is that it should not make money, as the minister has so often been reminded and has said, but it is intended that it should pay its way. We have reduced the postage charges recently to South Africa and to other countries of the world. But we find that the rural mail carrier is receiving less compensation because of the keenness of competition in the tenders. That keenness, I think, as the member for Queens-Lunenburg (Mr. Ernst) has explained, is really due to economic necessity. This little money that the men get is sometimes the only money that some of them receive for a whole year. For the service they render the department they get cash, and they also get something for carrying persons and parcels, and in their frenzied zeal to get the contract they take it at a price which is not satisfactory to them.

I am not going to add anything to what has been so well said by my friend from North Simcoe (Mr. Boys) with respect to the matter, but I should like again to say a word about these letter carriers. I have done it on previous occasions and I do it again now When I see them staggering along day after day with a great load of letters and newspapers on their backs and I realize the little

compensation they get, I cannot think it is fair, having regard to the prosperity of those who produce the commodities which they carry. Surely we can adjust matters in this country so there will be a fair distribution of the profits resulting from publication. I should think it could be done. It may involve coming to parliament to do it.

One other matter. We have said that we think no civil servant should have less than $100 a month. I should like to think that everybody must be agreed about that, that twenty-five dollars a week, roughly speaking —it is not quite that as a matter of fact— is not too much. Is not this the difficulty, that we are creating too many civil servants, with the result that we are not paying some of them a decent wage? If we paid a minimum wage of $100 a month we would get the work done thoroughly, because then there would be an earnest desire to make the employment permanent on the part of many people who do not now look upon it in that way. I should like to say that we who sit to the left of the Speaker will support the government in any measure they may introduce looking towards reasonable compensations being paid to the civil servants of this country, and nothing less than $100 a month is a reasonable salary upon which a man can live, and certainly live and support a family.

In connection with letter carriers I think we should be supplied with evidence as to the number of postal employees outside the civil service who are receiving compensation larger than that allowed in the civil service. If the Civil Service Commission is standing in the way of this parliament I should be very much surprised. Now that there is unity in respect to the matter I think that those who sit to the right and left of the Speaker should unite and provide fair compensation for those who render a public service.

Mr. VENIOT: I intend to allow the Minister of Public Works to proceed with his estimates; I shall take this matter up at another time. In order that the information will be on record may I say to the leader of the opposition that in addition to the salaries the letter carriers receive they are provided with two uniforms each year, two pairs of boots and three weeks' leave. On sick leave they receive their salary as provided in the civil service regulations. In the large cities they have free transportation on the street cars.

Mr. STEWART (Leeds): Is it not a fact that in some instances you have not accepted the recommendation of the Civil Service Commission but have gone to the governor in council and through the treasury board have added something to the allowance recommended by the Civil Service Commission?

Mr. VENIOT: We have added to what?

Mr. STEWART (Leeds): Added something to the recommendation made by the Civil Service Commission. I have an order in council before me dated 21st March, 1929, in which the recommendation of the Civil Service Commission is rejected and the allowance supplemented.

Mr. VENIOT: Give me the particulars of that case.

Mr. STEWART (Leeds): I have before me P.C. 394-487 which is certified to be a true copy of a minute of a meeting of the treasury board approved of by His Excellency the Governor General in Council on March 21, 1929, and relating to a railway mail clerk.

Mr. VENIOT: If the hon. gentleman will give me the information I shall look into the matter.

Item stands.

DEPARTMENT OF PUBLIC WORKS

Maritime provinces generally — Dominion public buildings—improvements, repairs, etc., $50,000.

Mr. MANION: What is that expenditure for?

Hon. J. C. ELLIOTT (Minister of Public Works): For improvements and repairs. This amount has been expended annually for some time. It is an amount of $50,000 expended in the maritime provinces generally for repairs to Dominion public buildings.

Mr. MANION: Have items 118 and 119 been carried?

Mr. ELLIOTT: Yes, they were carried. We are just continuing from where we left off.

Item agreed to.

Quebec — Beauharnois — public building, $43,000.

Mr. MANION: What is that for?

Mr. ELLIOTT: That is for a post office.

Mr. MANION: Is Beauharnois a new town?

Mr. ELLIOTT: No.

Mr. MANION: I should like to know something about it.

Mr. ELLIOTT: It is for the erection of a public building for postal service in the town of Beauharnois.

Mr. MANION: What is Beauharnois?

Mr. ELLIOTT: It is not a new town; it is the old town of Beauharnois.

Mr. MANION: What is the population?

Mr. ELLIOTT: The town has a population of 2,400.

Mr. MANION: Has the minister any information as to the population of Beauharnois during the past year, or has there been a change in the population?

Mr. ELLIOTT: It is growing slightly. In 1911 the population was estimated at 2,000; it has increased to 2,400.

Mr. MANION: What building has been used for post office purposes up to the present time?

Mr. ELLIOTT: They had rented quarters and the postal authorities reported that the quarters were entirely inadequate.

Item agreed to.

Quebec — Dominion public buildings — improvements, repairs, etc., $120,000.

Mr. MANION: Is that throughout the whole province?

Mr. ELLIOTT: Yes, for the whole province of Quebec.

Mr. MANION: Are tenders called for those repairs?

Mr. ELLIOTT: If they are important and extensive, tenders are called for.

Mr. MANION: How much was spent of the amount voted last year?

Mr. ELLIOTT: It was all used; in fact a larger amount was used. That is why we are asking this year for $10,000 more. We owed something at the end of the fiscal year.

Mr. ADSHEAD: Is the work done by contract or by day labour?

Mr. ELLIOTT: Both methods are used; the larger ones are done by contract.

Mr. ADSHEAD: Is the fair wage clause in all contracts?

Mr. ELLIOTT: Yes.

Mr. RYCKMAN: Is there any specific item or is this a general repair bill?

Mr. ELLIOTT: It is a general repair bill for all the buildings in the province of Quebec.

[Mr. Manion.]

Mr. MANION: I wish to ask a question bearing on that asked by the hon. member for Toronto East. What was the largest amount spent in any one place under that vote of $110,000?

Mr. ELLIOTT: The largest contract let by tender, from my hurried glance over these details, appears to have been $2,300 which was expended at Iberville, Quebec.

Mr. MANION: Is there any limit to the amount that can be spent under this item? For instance, supposing a post office needed an improvement costing $10,000; would it be possible to have that done under this item, or would that have to be a separate item?

Mr. ELLIOTT: It would be a separate item; there is no such large amount spent under this item.

Mr. HANSON: With the permission of the committee I should like to speak to the previous item dealing with public buildings in New Brunswick, since I was not here when this item was called. I desire to direct attention to the fact that throughout the entire province of New Brunswick provision is made for only one new public building this year, at Atholville in the county of Restigouche. It should be of interest to the committee to know that Atholville, or Athol as it is commonly called, is a small village situated two miles west of Campbellton in the county of Restigouche. Recently a large pulp mill was erected there, but the offices of the company are in the town of Campbellton, and I should say that the revenue from that post office at Athol could not exceed $1,000 a year. I am just estimating that amount, but I know that all the business of the corporations which operate in the west end of Campbellton and in Athol is done in Campbellton, where they have their executive offices.

In the distribution of public money and in the erection of public buildings surely some principle should prevail other than the wish of the sitting member. There is no public service conducted at Atholville except the post office; there is no customs house or anything of that kind, and I do submit that there are many places in the province of New Brunswick which are entitled to public buildings before a small community like Athol is considered. For five years or more I have been asking the minister for a post office in the town of McAdam, where there is a public revenue of between $40,000 and $50,000 per year. This is a junction point on the Canadian Pacific railway through which many trains pass every day; there is a large passenger

traffic and a very large customs import entry. At that point there is not only the customs and the post office, but the immigration service and the health of animals branch of the Department of Agriculture as well. The immigration officers are housed in the Canadian Pacific railway station, where the space is very cramped, and the post office is in a wooden shack erected and owned by the postmaster himself, and is a perfect disgrace to the public service of New Brunswick. No one knows that better than the Postmaster General himself. A year or two ago I asked the Minister of Public Works to make an investigation in respect to the public services at McAdam. I do not know whether or not he ever made that investigation, but I am satisfied that if he did so he would know that there is a very urgent need for a public building at that point.

I do not suggest that the post office at Athol should not be built, although I can say without fear of successful contradiction that a public building there is absolutely unnecessary at this time. However, if the minister is bound to erect one there then I think he must take into consideration the needs of the public service at other much more important points. I should like to ask the minister if he would be good enough to refer to the item and tell me the revenue from the post office at Athol, and then compare it with the revenue at McAdam.

Mr. ELLIOTT: It is much as my hon. friend has indicated; it amounted to $859 in 1928.

Mr. HANSON: I thought I was being quite generous. Now you are proposing to erect a $10,000 building at a point where the income is only $859, and I can tell the minister that the revenue from the post office will not be increased at that point because all the business of the company is done through its executive offices in Campbellton. The saw mill, which also is owned by the same company, does its business through its Campbellton office as well, and these are the only two industries in Athol. Furthermore I can tell the minister that there is no probability of Athol growing as a residential centre, because the company has decided that there is ample housing accommodation for its employees in the west end of Campbellton, where they are now residing, and the company does not propose to build any company houses or operate any company stores at that point. As a matter of fact I believe the company is under contract not to operate company stores, by reason of concessions granted by the municipality in regard to taxes.

I submit to the minister that he should investigate a little further before the Athol post office is built, unless he is prepared to give proper consideration to the public needs elsewhere. Since this government came into power they have built only one or two new post offices in the province of New Brunswick. When my genial friend the Minister of National Health was the Minister of Public Works he consecrated his own memory by erecting a very pretty little post office in his native town of Chipman. I have no objection whatever to that; it was quite all right, but I want to tell the minister that a dozen Chipmans and a dozen Athols would not contribute to the public revenue half the amount contributed by the town of McAdam. I suppose that town has not received consideration because it is in a Conservative constituency and is a strong Conservative poll; nevertheless I submit that these people who contribute to the public revenues are entitled to fair consideration at the hands of any Minister of Public Works. I do protest against this sum of money being spent at Athol while other much more important communities get nothing at all. I am not opposing the vote for Athol; as a mater of fact it has gone through already, but I want to voice the strongest possible protest at this discrimination against a community which does not support the administration.

Mr. ELLIOTT: I have not the memorandum here with regard to McAdam, but I remember the request made by my hon. friend and I am satisfied that investigations were made. I think there is no doubt but that the income from the McAdam post office is larger than the income from the Athol post office. However, I should like to direct his attention to the report with regard to Athol which was sent in by the district superintendent of postal service at St. John under date of November 27, 1929. First it refers to the postmaster and his assistants, giving their ages and so forth, and then the report proceeds:

> The post office is being kept in the residence of the postmaster with a separate entrance. There is a little lobby about 7 by 10 feet dimension, and the working space of the office is about 5 by 10 feet. The office was packed up with parcels and people could hardly move around to deliver the mail. During my visit, when I entered the door of the post office I could hardly open it as the lobby was packed with people and it was all I could do to go through to the working space of the office, and the same condition was going on all the afternoon after the arrival of the mail and many

people, I noticed, were waiting outdoors. If there were more room for the postmaster and his help to work in, they could attend to the post office work much easier than they are looking after it at the present time.

There was a petition presented by the residents asking for a building at this point. The report of the district superintendent continues:

I interviewed the manager of the Fraser Lumber Company—

I assume that is the company to which my hon. friend refers.

—who informs me that it is the intention of his company to employ at least 300 men in the pulp mill when it goes into operation and that besides these they will eventually employ 300 men in the saw-mill which will be in operation about the middle of January. He stated further that it was the intention of the company to tear down the 60 houses which are situated near the former site of the Shives Athol post office and to use this space as a lumber yard.

While my hon. friend is probably correct in stating that considerable business is being carried on at the other point, I understand that the employees of the company do their postal business at Shives Athol.

Mr. HANSON: I know that that is not correct; I know that most of the men live in Campbellton and go back and forth on the trolley cars. It is not the Fraser Lumber Company at all, but a subsidiary company, and it was not their intention to house their men at this point, it being felt that that could be more conveniently done at Campbellton. As far as the petition is concerned, it would be quite easy to have a petition signed in any community to have a public building erected. I leave it to the Postmaster General (Mr. Veniot) to say where the post office should be as between Shives Athol and McAdam Junction. Last year I asked the Postmaster General if it was not necessary to have further accommodation at McAdam Junction, but I never received an answer. He must know personally of the cramped condition at that point, and if he did not requisition for a post office I think he was derelict in his duty. This is not the only public service rendered at that point. There is also the customs service, there being eight or nine officers who have their headquarters there. They travel in and out of this junctional point every day, and to all intents and purposes it is a border point. Then there are the immigration services, and the Department of Agriculture. The revenue at Athol is less than $1,000 per year and the minister cannot justify the building of a new post office when there are other points with ten and twenty times the revenue which are being left in the condition to which I have alluded.

Mr. ADSHEAD: I would like to direct the attention of the minister (Mr. Elliott) to the fair wage clause which provides that the wages paid shall be those generally accepted as current. I understand the wages paid in Nova Scotia are something like 25 cents per hour.

Mr. ELLIOTT: No, it is 30 cents per hour.

Mr. ADSHEAD: Bill No. 49, which was passed a short time ago, contained the provision that in all cases the wages paid should be fair and reasonable. I would suggest to the Minister of Public Works that that provision be inserted in the fair wage clause.

Mr. ELLIOTT: We consult with the men who make inquiries regarding the fair wages prevailing in each province, and the fair wage clause is based upon the recommendations of those men. I shall be glad to convey to my colleague the Minister of Labour the representations made by my hon. friend regarding wages which are fair and reasonable.

Mr. ADSHEAD: That that clause be inserted in the fair wage clause?

Mr. ELLIOTT: That the clause be inserted.

Item agreed to.

Farnham—public building, $30,000.

Mr. MANION: Would the hon. minister explain this item?

Mr. ELLIOTT: This is required for the erection of a new public building at Farnham to replace the existing structure which is too small to serve adequately the requirements of the community.

Mr. MANION: What is the population of Farnham?

Mr. ELLIOTT: 3,809.

Mr. MANION: And the revenue?

Mr. ELLIOTT: The postal revenue is $10,000 and the customs revenue $88,000.

Item agreed to.

Grand'Mère—public building, $50,000.

Mr. MANION: Would the minister give the committee the details of this item?

Mr. ELLIOTT: This is to complete the erection of a public building in the town of

Grand'Mère, the work on which is being performed by Messrs. A. Beaulieu and O. Boisvert of Shawinigan Falls, at a contract price of $45,382.60.

Mr. MANION: What is the population and revenue?

Mr. ELLIOTT: The population is 7,631; the postal revenue is $7,124, and the customs revenue, $103,294.

Mr. MANION: This vote will be used for both purposes?

Mr. ELLIOTT: Yes.

Item agreed to.

Grosse Ile quarantine station—improvements, repairs, etc., $21,000.

Mr. HANSON: Will the minister explain this item?

Mr. ELLIOTT: This is to provide for general improvements, repairs and so forth, to the various buildings at Grosse Isle quarantine station as requested by the Deputy Minister of Health on November 30, 1929.

Mr. MANION: Who is the member for that constituency?

Mr. ELLIOTT: Mr. Laflamme.

Item agreed to.

Huntingdon—public building, $30,000.

Mr. MANION: Would the minister explain this item?

Mr. ELLIOTT: This vote is to provide for the erection of a public building for postal and customs purposes on a site situated at the corner of Bouchette and Prince streets.

Item agreed to.

Les Eboulements post office—installation of fittings, $2,500.

Mr. HANSON: Where is Les Eboulements?

Mr. ELLIOTT: That is in the constituency of Charlevoix-Saguenay.

Mr. HANSON: What is the population of that town?

Mr. ELLIOTT: I do not believe I can give my hon. friend the population. This vote is to provide for the installation of fittings in a building already constructed.

Item agreed to.

La Tuque—public building, $39,000.

Mr. MANION: Will the minister explain this item?

Mr. ELLIOTT: This is to provide for the erection of a public building on a site at the corner of St. Antoine and St. Joseph street, purchased in August, 1929, for the sum of $5,250.

Mr. MANION: Would the minister give the population and the revenue of the town?

Mr. ELLIOTT: The population is 5,800; the postal revenue is $10,656 and the customs revenue, $53,211.

Mr. MANION: Where was the post office situated previously?

Mr. ELLIOTT: In a rented building.

Item agreed to.

Maisonneuve—public building, $25,000.

Sir GEORGE PERLEY: Will the minister kindly explain what has been done in Maisonneuve? Are they putting up a new building? How much will the total expense be? Is there any plan in connection with it?

Mr. ELLIOTT: This is to provide for the fitting up of the old city hall building at Maisonneuve, purchased from the municipal authorities for the sum of $100,000 in 1928-29.

Sir GEORGE PERLEY: How much is it going to cost to fit it up?

Mr. ELLIOTT: The total vote of $125,000 was provided in 1926-27 for the purchase and fitting up of the building. The sum of $100,000 was for the purchase and the sum of $25,000 for fitting up the building.

Item agreed to.

Montreal—postal terminal building, $400,000.

Sir GEORGE PERLEY: Will the minister give us an explanation of this? Whereabouts in Montreal is this building to be? Is it under contract now or is this a new vote?

Mr. ELLIOTT: This is required for the purchase of a site on which it is intended to erect a postal terminal building for handling the mails in connection with the railway terminals at Montreal. Where that will be located is not definitely settled. We have had a site in mind and if it can be purchased at a price that is considered reasonable, no doubt it will be purchased, but we are not at the present time committed to any site.

Sir GEORGE PERLEY: Is this to be a building to handle the mails from both railways?

Mr. ELLIOTT: Yes.

Sir GEORGE PERLEY: There is a postal station just across from Bonaventure station, is there not?

Mr. ELLIOTT: Yes.

Sir GEORGE PERLEY: Is that used as a postal terminal station for the Canadian National?

Mr. ELLIOTT: Is my hon. friend referring to the general post office?

Sir GEORGE PERLEY: No; that is further down in the city; but there is a postal station just across the street from Bonaventure station, is there not?

Mr. ELLIOTT: Yes. That is a postal station. It is an old building.

Sir GEORGE PERLEY: That is simply an ordinary post office?

Mr. ELLIOTT: Yes.

Sir GEORGE PERLEY: This proposes something entirely new. It is for the purpose of handling mail from both these railways?

Mr. ELLIOTT: This will be a sorting building for mails coming from both railways.

Mr. HANSON: What will be the total expenditure in connection with this building? How many millions is the minister going to spend on it?

Mr. ELLIOTT: The building will cost around $700,000 and the fittings about $250,000. This amount is to provide for the site.

Sir GEORGE PERLEY: The minister has not yet bought the site?

Mr. ELLIOTT: No.

Sir GEORGE PERLEY: And of course, until he buys it, he does not want to give any indication as to where it will be?

Mr. ELLIOTT: We cannot. We are not committed to any site and of course my hon. friend will understand the disadvantage of naming any site.

Sir GEORGE PERLEY: It will have to be somewhere between the two stations?

Mr. ELLIOTT: Yes.

Item agreed to.

Montreal—St. Henri postal station, $15,000.

Mr. HANSON: Is this a revote?

Mr. ELLIOTT: Yes.

Mr. HANSON: Will the work be gone on with this year?

[Mr. Elliott.]

Mr. ELLIOTT: We have not yet completed arrangements for the site for this building.

Mr. HANSON: This is only for the site?

Mr. ELLIOTT: Yes.

Item agreed to.

Montreal—government's share of cost of local improvements, $22,500.

Mr. HANSON: What is the necessity of this?

Mr. ELLIOTT: It is made up of twenty-four items, comprising the government's share of the cost of local improvements adjoining the various public buildings in the city of Montreal.

Mr. HANSON: Under the municipal by-law?

Mr. ELLIOTT: Yes.

Item agreed to.

Montreal—postal station "B"—improvements and equipment, $6,000.

Sir GEORGE PERLEY: Where is postal station "B" in Montreal?

Mr. ELLIOTT: It is situated on St. Catherine street, Montreal. It is a three storey brick structure, fifty-one feet wide by forty feet deep with a one-storey annex fifty-one feet wide by fifty feet deep.

Item agreed to.

Montreal—Stephens building—improvements, alterations and equipment, $12,500.

Sir GEORGE PERLEY: Is this a building rented by the government?

Mr. ELLIOTT: Yes.

Sir GEORGE PERLEY: Why should we be spending so much money and what is it going to cost altogether? Has the government been in possession of this building for a long time?

Mr. ELLIOTT: This is for improvements, alterations and equipment for the Stephens building at present temporarily used by the Post Office Department pending the construction of a new postal terminal building.

Sir GEORGE PERLEY: Where is it located?

Mr. ELLIOTT: It is a four-storey and basement building at 38 St. Antoine street.

Item agreed to.

Quebec citadel—Governor General's quarters —improvements, maintenance, etc., $17,000.

Mr. MANION: Will the minister kindly explain what this is for?

Mr. ELLIOTT: This is for improvements, maintenance, and so forth, of the Governor General's quarters in the citadel at Quebec.

Mr. MANION: For one or two years now we have voted pretty fair sized sums for this building, and I should like to know what has been spent on it say in the last four years.

Mr. ELLIOTT: This is for maintenance very largely. The amount is made up as follows:

Salaries—		
Caretaker	$1,260	
1 engineer G2, 12 mos. at $125	1,500	
2 engineers G1, 8 mos. at $110	1,760	
1 gardener, 5 mos.	450	
		$ 4,970
Heating, fuel oil		3,500
Light and power		2,400
Telephones—		
Operator during residence, say 3 months	$225 00	
15 phones during residence at $41.60, say 3 months	124 80	
2 phones when not in residence at $9.90, say 9 months	89 10	
say		440
Maintenance and supplies		5,690
Total		$17,000

Mr. HANSON: The minister might tell us just how much this vice-regal residence in Quebec has cost the country during the last three or four years, and how much we have spent for maintenance and operation, because it seems to me that it runs into a very large sum of money just for one month's residence. I think we might hire the whole Chateau Frontenac for the same money, or the necessary suites in the Chateau.

Mr. ELLIOTT: There are not very many of them.

Mr. HANSON: This is a very expensive household at Quebec. Would the minister give us the amounts that have been spent on renovation, new equipment, new furniture, and maintenance for the last three or four years? I would like to know what this vice-regal residence has cost the country, and I think the country would be interested in knowing it.

Mr. ELLIOTT: The appropriation for 1929-30 was $3,000 more than is being asked this year. In 1929-30 the gardening and fencing had to be done at a cost of $3,000. That is not required this year and consquently the appropriation is reduced by that amount. The amount expended in 1929-30 was $20,000.

Mr. HANSON: What did it cost to re-equip the building? I understand that two or three years ago the building was not habitable; at all events representations were made to that effect in this house by either the present minister or his predecessor. From my recollection I think the sum has run into hundreds of thousands of dollars.

Mr. ELLIOTT: For 1927-28 the appropriation was $100,000. That is for reconstruction, alterations and additions. The expenditure that year was $99,988.54.

Mr. MANION: Out of the $100,000?

Mr. ELLIOTT: Yes. For 1928-29 the appropriation was $150,988.54 and the expenditure $142,118.34, making a total expenditure of $242,106.88.

Mr. MANION: What was the expenditure in 1926 and in 1927?

Mr. ELLIOTT: I do not think there was anything before 1927-28. That was the beginning of the reconstruction.

Mr. MANION: How long is the citadel occupied each year by the vice-regal party?

Mr. ELLIOTT: I think there was a return tabled a short time ago giving particulars of the periods during which the Governor General has actually been in residence since the citadel was reconstructed, as follows: November 24, 1928 to January 9, 1929; June 4, 1929, to August 6, 1929.

Mr. HANSON: The minister did not give us the cost of refurnishing the citadel in addition to the $250,000 that he has already mentioned.

Mr. ELLIOTT: That amount includes everything. It is divided in this way: Construction and alterations, $170,175.70; furniture, $71,931.18; or a total of $242,106.88.

Mr. CAMPBELL: Are Their Excellencies actually in residence for the full periods that the minister has mentioned? I understand that it is their home during that time, but that they are travelling about.

Mr. ELLIOTT: I think that their residence has been pretty constant during those periods.

Mr. SPENCER: For about three months in the year?

Mr. ELLIOTT: Yes.

Mr. MANION: Is it expected that this cost of from $17,000 to $20,000 is going to be an annual cost?

Mr. ELLIOTT: Yes, I would think so.

Mr. MANION: That is if the vice-regal party desire to live there.

Mr. HANSON: Has the government in contemplation the establishment of any more vice-regal residences?

Mr. ELLIOTT: Not that I have any information about.

Mr. ROSS (Kingston): Can the minister say how much of this money went into the reconstruction of the wall?

Mr. ELLIOTT: The walls are under the jurisdiction of the Department of National Defence, and none of this amount went into the walls. This was for the reconstruction of the citadel proper.

Mr. ROSS (Kingston): For the inside.

Mr. ELLIOTT: Yes.

Mr. HEAPS: When the estimates were before the house two years ago I was under the impression from what the minister said that part of this money was to be used for the walls, but now we are told that it was not for the walls at all.

Mr. ELLIOTT: I think my hon. friend must have misunderstood the explanation because it never was so intended.

Mr. HANSON: How big is this residence which has cost the country a quarter of a million dollars within the last two years, and what is its capacity?

Mr. ELLIOTT: I think this will be the information that my hon. friend requires:

The citadel buildings were delivered over by the imperial authorities to the Dominion government on December 2, 1871, among which was the officers' barracks, consisting of a two story stone structure 340 feet long by 48 feet wide. A portion of this building 152 feet in length was fitted up as living quarters for the Governor General, and since then the following additions have been made, viz:—

A ball room 60 feet wide by 41 feet deep to the east of the original quarters.

A tent room 38 feet by 48 feet at the rear of the ball room.

A one story addition 80 feet by 20 feet for servants' quarters east of the ball room.

A one storey addition 199 feet by 17 feet at the rear of the original quarters.

Mr. MANION: I understood the minister to say that a certain staff of servants is kept on throughout the year.

Mr. ELLIOTT: Yes.

[Mr. Elliott.]

Mr. MANION: Is it necessary for the sake of two months' residence to keep a large staff engaged the year round? Would it not be a little more economical in these hard times, when we cannot find anything for unemployment relief and other urgent matters, to close up the building except for the period it is occupied and a week or two more at either end?

Mr. ELLIOTT: This is a structure which originally cost a great deal of money. It is a very valuable building. Two servants, I understand, caretakers, are kept on during the year; that is all.

Mr. HANSON: It costs $3,500 a year for fuel alone.

Mr. ELLIOTT: It has to be kept reasonably heated so as to prevent deterioration.

Mr. MANION: Before it was used as a vice-regal residence, how big a staff did we keep on there?

Mr. ELLIOTT: Do you mean before 1927 and 1928?

Mr. MANION: Yes.

Mr. ELLIOTT: Yes, there was a caretaker in charge continuously.

Mr. MANION: And there are two caretakers at the present time?

Mr. ELLIOTT: Yes.

Mr. SPENCER: I have some figures taken from the Auditor General's report. I notice that in 1928 in round figures we spent $102,000 and in 1929, $148,000. Will similar amounts have to be provided in the years to come?

Mr. ELLIOTT: No, that was the reconstruction, which is completed. Now from year to year we will have to provide for maintenance.

Mr. SPENCER: About how much for maintenance?

Mr. ELLIOTT: It is estimated at $17,000 for this year. It will probably decrease a little, as that includes some things that may not be required every year.

Mr. HEAPS: How much money has been spent actually on the walls?

Mr. ELLIOTT: That is not in this department and we have no information in regard to it.

Mr. CAMPBELL: It seems to me we are all skating around the real problem—whether we are going to continue this sort of thing or not. If we are going to have an official

residence in Quebec, why not one also in the maritimes, in the prairie provinces, and also in British Columbia? Certainly if there is justification for more than one official residence, there is justification for additional ones in each section of the country. It seems to me absolutely absurd and a pure waste of public money. The Auditor General's report shows that in 1928 we spent about $99,988. This included contracts for additions, $65,492; on account of alterations, $17,918; renovations of plumbing and heating, $4,260; refrigerator plant, $3,679, and so on. In 1929, for the last fiscal year, we find salaries and wages $2,506.05; carpets, 1,871⅔ yards, $10,036.09.

Mr. HANSON: Were those carpets bought in London, Ontario?

Mr. CAMPBELL: No, from the Brinton-Peterborough Carpet Company, Peterborough. There was also a carpet lining, $100; freight and express, $52.94. It seems to me it will be very difficult to justify this expenditure before the people of this country, many of whom cannot afford ordinary carpets in their homes. Then I find this item: Canadian National Railways, (Montreal car shops): furniture, $2,182.29. There are furniture items scattered all over the account—six or eight items. It seems to me rather remarkable that these items could not be grouped together so that we would know at a glance how much furniture went into the building. The same thing occurs in regard to Rideau Hall. What becomes of all the carpets, dishes, furniture, and so on that is supplied year after year; is it thrown out and supplanted by new articles before it is worn out? It seems to me high time that something was done to check up on this expenditure. Coming back to the Quebec citadel, I find the following in the Auditor General's report: Alterations and additions, $66,962.95; renovating and plastering ballroom, $7,712,—I doubt if that ballroom would be used more than four or five times in the season.

An hon. MEMBER: Only once.

Mr. CAMPBELL: Yet in one year we spent for furniture repairs $2,560.70; hangings, $7,536.43; pillows, mattresses, springs, etc., $752; sundries, $421.47; renewing roof, $3,249.10; repairs, $334; electrical work, $844.95; renovating heating and plumbing system, $11,081.69; repairs, $989.45. I do not know what these repairs are for; they are scattered all over the report. Then I find the following items: 72 blankets, $914.40; cleaning carpets, $518.22; sundry supplies, $632.53; electrical work, $3,269.27. Here is another furniture item; Krug Furniture Company, Kitchener, 33 chairs, $1,107.70 —very expensive chairs, I would think; renewing wooden terrace platform, installing surface drain and grading grounds, $4,566.80; interior decorating, $3,218.10; sundry painting and repairs, $1,907.87; electrical supplies, $164.80; locks, door sets, et cetera, $861.54; plumbing supplies, $523.09; carpets—another item—Morgan and Company, Montreal, $388.89; dishes, $1,320.73; electrical fixtures, $3,330.80; furniture, $1,332; linoleum, $1,034.80, and many other items. Then I find also this further expenditure: pictures, $204.92; radio, $545; window shades, $307.63; sundries, $2,367.85; cleaning, painting, etc., $323.05; kitchen equipment, $1,918.87. Then there is still another furniture item of $1,070. It seems to me, Mr. Chairman, that something ought to be done to curtail that kind of expenditure. Is any check kept on this furniture?

Mr. ELLIOTT: It is not the intention to establish vice-regal quarters in other sections of the Dominion. We are simply continuing the quarters that for years past have been maintained for His Majesty's representative in Canada.

Mr. CAMPBELL: For how many years?

Mr. ELLIOTT: Since 1871.

Mr. CAMPBELL: I have the figures back for twenty years and the annual expenditure has been about $2,000.

Mr. ELLIOTT: That is correct. In 1927 there was a general desire that those old, historic and very beautiful quarters in the city of Quebec, on a site unequalled I think on the North American continent, should not be allowed to fall further into disrepair.

Mr. HEAPS: But these are new buildings.

Mr. ELLIOTT: No, this is a reconstruction of the former buildings with some additions in order that this old historic citadel should not be allowed to fall into decay.

Mr. CAMPBELL: Was all this furniture and equipment necessary to preserve the building?

Mr. ELLIOTT: No, but there would not be much object in preserving, restoring and reconstructing a building if furniture were not placed in it. I have given my hon. friend details of the costs of reconstruction and furnishing. When my hon. friend considers the matter, and especially if he will give himself the pleasure and satisfaction of going down there and visiting this place—

Mr. MANION: Is this an invitation to go down?

Mr. ELLIOTT: Yes, certainly it is.

Mr. CAMPBELL: May I remind the minister that I would not be permitted to go into the building if I did go down there?

Mr. ELLIOTT: Oh yes, you would be permitted.

Mr. CAMPBELL: A friend of mine visited there some time ago and on my advice he went to see the citadel. I told him that it was a place of historic interest, and on his return he told me he was not allowed to go in.

Mr. ELLIOTT: I would like to know the name of the gentleman who was refused admission and if possible the name of the gentleman who refused him admission. I have no doubt that my hon. friend, with his appearance, would be admitted if he cared to make application.

Mr. SANDERSON: I might tell my hon. friend that I was through the citadel a few weeks ago.

Mr. HANSON: Oh, but you are the chief whip.

Mr. ELLIOTT: Seriously, I wish to say to the committee that in my opinion it was in the interests of the country that for the maintenance of historic traditions these expenditures should have been made. There has been an excellent result. I believe that the contact with the sister province of Quebec in reviving the old custom of having His Majesty's representative reside there a portion of each year has had very beneficial results. The representative is enabled to become better acquainted with the different portions of the country and particularly with the picturesque sections. To my mind that is something highly desirable and in the interests of the whole of Canada. I am satisfied that anybody who looks at the building will be delighted. The citizens of this country have the opportunity of visiting it and I regret the fact that any citizen has been refused admission. I think the application must not have been made in the manner in which my hon. friend would have made it. We have received value for the money expended, and I believe the result has more than justified the decision of the committee that the citadel should be restored. The original cost was great, and the building is of great value to Canada. I would particularly request members of this committee to visit the citadel when they have occasion to be in the city of Quebec, and in that way they may gather an idea of the value of this building.

[Mr. Elliott.]

Mr. HANSON: The minister has spoken seriously in regard to this matter. I think gentlemen on this side of the house are as much concerned as he is with the dignity of government. I want to tell the hon. gentleman that there is a growing conviction in this country that under his regime vice-royalty has been a very expensive proposition, and I think the committee should know how much vice-royalty has cost the country in the last few years. I venture to say the sum will astonish the taxpayers of this country. The money expended on Rideau hall, the citadel at Quebec, new private cars and the refurnishing of everything used by vice-royalty would astonish the taxpayers.

Mr. ELLIOTT: I think the taxpayers have been kept pretty well informed from time to time.

Mr. HANSON: I would like to have the full information in regard to this matter; I would like to know how much it has cost in the last three years, and I ask the minister to get that information.

Mr. ELLIOTT: I shall be pleased to give our expenditures.

Mr. HANSON: I am satisfied the amount will run into hundreds of thousands of dollars and will be very much more than it has been in previous years. We have had governors general going to Quebec year in and year out, but we have never had suggested anything like the expenditure on the citadel proposed by the present Minister of Public Works. I daresay his remarks were true when he told of the condition into which the citadel had fallen, but I think the sum required for reconstruction is extremely large, and he will have to justify the expenditure to this house and to the country. To my mind this would be a good place to close discussion so that the minister may have an opportunity to get the information. We want to have full details of the total expenditures for Rideau hall, for the citadel and for travelling accommodation for the governor general.

Mr. ELLIOTT: I assume the hon. member does not require repetition of the information I have just given.

Mr. HANSON: No, not as to the citadel.

Mr. ELLIOTT: I shall be pleased to furnish the hon. member with any information I have as to the items he has mentioned. I would like to ask him how far back he wishes to go, because if he will compare the repairs and expenditures of recent years with those of past years he will find that in comparison the recent expenditures have been very moderate.

Mr. MANION: To what years does the minister refer?

Mr. ELLIOTT: I would say about 1914 and 1915.

Mr. MANION: How much was spent at that time?

Mr. ELLIOTT: Over $200,000 was spent on Rideau hall.

Mr. MANION: We are speaking of the citadel at the present time.

Mr. ELLIOTT: My hon. friend has referred to both the citadel and Rideau hall.

Mr. HANSON: As far as I am concerned the minister can go back as far as he likes; the farther back he goes, the better. What method is adopted in making these purchases? Are the purchases made through a government purchasing agent, or otherwise?

Mr. ELLIOTT: They are made through a purchasing agent.

Item stands.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Monday, May 5, 1930.

The house met at three o'clock.

CALGARY AND FERNIE RAILWAY

Mr. N. M. YOUNG (Toronto Northeast) moved:

That the petition of the Calgary and Fernie Railway Company, of Calgary, Alta., praying for the passing of an act to extend the time within which to commence and complete the construction of their line of railway, which was presented to the house on the 9th ultimo, together with the report of the clerk of petitions thereon, be referred to the select standing committee on standing orders for the purpose of considering the suspension of standing order 92 in relation thereto.

He said: This matter is before the Senate in the form of Bill L-2. The company is now in a position to go ahead with its work and desires to have this bill passed at the earliest possible moment. I do not believe the matter is contentious, but at this season of the year a delay of two weeks would be rather injurious to their operations. I have before me the consent of both the Canadian National Railways and the Canadian Pacific Railway Company.

Motion agreed to.

WILFRID NATHANIEL BICKLE

Mr. J. GORDON ROSS (Moose Jaw) moved:

That the petition of Wilfrid Nathaniel Bickle, praying for the passing of an act to grant a divorce, and to dissolve the marriage of the petitioner, which was presented to the house on the 2nd instant, together with the report of the clerk of petitions thereon, be referred to the select standing committee on standing orders for the purpose of considering the suspension of standing order 92 in relation thereto.

Motion agreed to.

CLARA DELILAH LATCHFORD

Mr. M. F. HEPBURN (West Elgin) moved:

That the petition of Clara Delilah Latchford, praying for the passing of an act to grant a divorce and to dissolve the marriage of the petitioner, which was presented to the house on the eighth April, together with the report of the clerk of petitions thereon, be referred to the select standing committee on standing orders, for the purpose of considering the suspension of standing order 92 in relation thereto.

Motion agreed to.

SUPPLEMENTARY ESTIMATES

CANADIAN NATIONAL RAILWAYS—CANADIAN NATIONAL STEAMSHIPS

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1931, was presented by Hon. Charles A. Dunning (Minister of Finance), and read by the Deputy Speaker to the house.

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

That the message of His Excellency the Governor General and the estimates governing same be referred to the special committee on railways and shipping.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, as I have stated on previous occasions, the reference of these estimates to this special committee will have to be without prejudice to our right to discuss the general principles which may be involved in the estimates themselves.

Mr. DUNNING: As on previous occasions, the discussion in this house will be in no way prejudiced by the reference of these estimates to the committee.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FREIGHT RATES ON COAL

Mr. ADSHEAD:

As the government gave a cost rate on coal from Alberta to Ontario, will they also consider giving to the provinces of Manitoba and Saskatchewan a cost rate from Alberta?

Mr. LAPOINTE (for Mr. Stewart, Edmonton): An application from the western bituminous operators has been received. This request as well as others of a similar character is receiving the careful consideration of the government.

RAILWAY MAIL CLERKS—TERMINAL DUTY TIME

Mr. WHITE (London):

Are railway mail clerks given any time allowance for what is known as "waiting time at terminals" away from home between the arrival and departure of their runs?

Mr. VENIOT: Railway mail clerks are allowed suitable terminal duty time after arrival at and before departure from an outside terminal according to the work to be performed.

CUSTOMS AND EXCISE ACT—CONVICTIONS

Mr. MACDONALD (Kings):

1. What number of convictions were secured for infractions of the Customs and Excise Acts, respectively, in the province of Prince Edward Island during the year 1929?
2. Have all such convictions been enforced?
3. If not, for what reason, and upon whose recommendation were commitments withheld?

Mr. EULER:

1. Sixty-three.
2. Yes.
3. Answered by No. 2.

QUESTION PASSED AS ORDER FOR RETURN

ADVISORY BOARD ON TARIFF AND TAXATION—STAFF

Mr. McGREGOR:

1. How many employees are attached to the tariff board?
2. What is the name, home address, and salary of each such employee?

UNOPPOSED MOTIONS FOR PAPERS

FISHWAYS IN DAMS

Mr. BLACK (Halifax):

For a copy of all correspondence, letters and other documents between the federal government or any of its departments and the Nova Scotia government or any of its departments, or the Nova Scotia Power Commission, regarding the provision of fishways in dams which have been constructed or are being constructed in Nova Scotia for the development of hydro-electric power.

[Mr. Dunning.]

GASPE COUNTY PUBLIC WORKS

Mr. MARCIL:

For a copy of all correspondence exchanged between Reverend Mr. Narcisse Rioux and the Department of Public Works, concerning the construction of certain works at Petit Cap, Grande-Anse, and Anse a Valleau, county of Gaspe, Quebec.

Mr. MARCIL:

For a copy of all correspondence exchanged between Reverend Mr. L. Ph. L'Italien and the Department of Public Works, concerning the construction of a wharf at Mont-Louis, county of Gaspe, Quebec.

JOHN GALLANT

CORRESPONDENCE CONCERNING RELEASE ON TICKET OF LEAVE

Hon. J. A. MACDONALD (Kings) moved:

For a copy of all correspondence, petitions and other documents in the possession of the government in connection with the release of John Gallant, of Summerside, Prince Edward Island, on ticket of leave from Dorchester penitentiary.

Hon. ERNEST LAPOINTE (Minister of Justice): I wish to say on behalf of the Solicitor General (Mr. Cannon), who is not in the house at present, that this motion will of course be subject to the condition that confidential documents and those which it is not in the public interest to publish, will not be tabled.

Motion agreed to.

TRENTON AIR PORT

On the motion of Mr. Boys:

For a copy of all conveyances, deeds, agreements, correspondence and other papers or documents, in any way relating to the acquisition of land in the vicinity of Trenton, Ontario, for the establishment of an air port, or in any way connected with or relating to the removal of Camp Borden.

Hon. J. L. RALSTON (Minister of National Defence): As the hon. member who placed this motion on the order paper is not in his seat, I would like it to stand until tomorrow.

Mr. DEPUTY SPEAKER: Stand.

PRIVATE BILLS

PATENT OF EDGAR D. CRUMP

The house again in committee on Bill No. 44, respecting a certain patent of Edgar D. Crump—Mr. Blatchford.—Mr. Johnston in the chair.

The CHAIRMAN: When this bill was last before the committee, section 1 was adopted. There is a new section 2 reading as follows:

In the event of the commissioner making an order restoring and reviving the patent designated in the preamble, if between the date on which such patent expired for non-payment of fees and the twelfth day of October, 1929, any person has commenced lawfully to construct, manufacture, use or sell in Canada the invention covered by such patent, such person may continue to construct, manufacture, use or sell such invention in as full and ample a manner as if said patent had not been restored and revived.

Section 2 agreed to.

Bill reported, read the third time and passed.

THE PREMIER LIFE INSURANCE COMPANY

The house in committee on Bill No. 46, to incorporate the Premier Life Insurance Company as amended and recommending that the title be changed to "An Act to incorporate Consolidated Life Insurance Company of Canada."—Mr. Mercier (Laurier-Outremont)—Mr. Johnston in the chair.

On section 1—Short title.

The CHAIRMAN: This section has been amended in committee by striking out the words "The Premier Life Insurance Company" in the fourteenth and fifteenth lines, and substituting therefor the words "Consolidated Life Insurance Company of Canada."

Section as amended agreed to.

Sections 2 to 8 inclusive agreed to.

Bill reported, read the third time and passed.

MERCHANTS' AND EMPLOYERS' INSURANCE COMPANY

The house in committee on Bill No. 52, to incorporate the Merchants' and Employers' Insurance Company, and recommending that the title be changed to "An Act to incorporate the Consolidated Fire and Casualty Insurance Company."—Mr. Mercier (Laurier-Outremont) —Mr. Johnston in the chair.

On section 1—Short title.

The CHAIRMAN: This has been amended in committee by striking out the words "The Merchants' and Employers' Insurance Company" in the eighteenth and nineteenth lines, and substituting therefor the words "Consolidated Fire and Casualty Insurance Company."

Section as amended, agreed to.

Sections 2 to 8 inclusive agreed to.

Bill reported, read the third time and passed.

ALBERT DAVIS BLAGRAVE

The house in committee on Bill No. 91, for the relief of Albert Davis Blagrave—Mr. MacLaren—Mr. Johnston in the chair.

On section 1—Marriage dissolved.

Mr. WOODSWORTH: It had been my intention to take the same course with these bills as I did the other day and move an amendment which would give us the opportunity of discussing the bill, but a number of members on both sides of the house have assured me that there would be no disposition to block the taking of the vote on the divorce bill for Ontario when it comes up to-morrow. I know that I cannot seek a formal assurance from the house to that effect, but I feel that that is the general disposition, and as no good purpose would be served by putting these bills over, I shall not move an amendment, but I would like each bill taken up separately so that if there is objection to any particular bill it can be stated.

Section agreed to.

Section 2 agreed to.

Bill reported.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 60, for the relief of Nora Kathleen Eayrs.—Mr. McPhee.

Bill No. 64, for the relief of Percy Victor Hobbes.—Mr. Geary.

Bill No. 66, for the relief of Constance Bertrand Murray.—Mr. Sanderson.

Bill No. 69, for the relief of Herbert Vincent Crisp.—Mr. Garland (Carleton).

Bill No. 70, for the relief of Elsie May Scott-Peer.—Mr. Garland (Carleton).

Bill No. 71, for the relief of Archibald Charles Henry Morris.—Mr. Garland (Carleton).

Bill No. 72, for the relief of Lillian Caroline Maud Wood.—Mr. Edwards (Waterloo South).

Bill No. 74, for the relief of George Henry Symons.—Mr. Garland (Carleton).

Bill No. 75, for the relief of Myrtle Margarette Hilton.—Mr. Garland (Carleton).

Bill No. 80, for the relief of Mary Helen Burgess.—Mr. Garland (Carleton).

Bill No. 81, for the relief of Cyril Douglas Gordon Stuart Ackerman.—Mr. Thorson.

Bill No. 82, for the relief of Wilfred Gordon Ure.—Mr. Allan.

Bill No. 83, for the relief of Herman Michael Coleman.—Mr. Taylor.

Bill No. 84, for the relief of Gertrude Ann Elizabeth Griffiths.—Mr. McPhee.

Bill No. 85, for the relief of William Francis Addison.—Mr. Black (Yukon).

Bill No. 86, for the relief of Ella Daisy Griffith.—Mr. Bell (Hamilton).

Bill No. 87, for the relief of Thomas Edmund Appleyard.—Mr. Anderson (Halton).

Bill No. 88, for the relief of Alexander Robb Kennedy.—Mr. Hepburn.

Bill No. 89, for the relief of Constance Mary Wright.—Mr. Sanderson.

Bill No. 90, for the relief of Charlotte Gertrude Brown.—Mr. Smoke.

Bill No. 92, for the relief of Maud Alice Whipps.—Mr. Kay.

Bill No. 93, for the relief of May McFarlane.—Mr. Geary.

Bill No. 95, for the relief of Thomas Brown. —Mr. Geary.

Bill No. 96, for the relief of Irène Adèle Maria Gregory.—Mr. McGregor.

Bill No. 99, for the relief of George Collier Draper.—Mr. Thorson.

Bill No. 100, for the relief of Dorothy Keen Rupert.—Mr. Bell (St. Antoine).

Bill No. 101, for the relief of Carrie Jane Vardon Coffin.—Mr. Bell (St. Antoine).

Bill No. 102, for the relief of Effie Laberta Corrigan.—Mr. Garland (Carleton).

Bill No. 103, for the relief of John Tremblay.—Mr. Thompson.

Bill No. 104, for the relief of Cornelius Taylor Spencer.—Mr. Bell (St. Antoine).

Bill No. 105, for the relief of Ada Emily Harris.—Mr. Bell (St. Antoine).

Bill No. 106, for the relief of Charles Gordon Stanley.—Mr. Harris.

Bill No. 111, for the relief of Otto Vernon Riepert.—Mr. Bell (St. Antoine).

Bill No. 112, for the relief of Mary Ritchie. —Mr. Cahan.

Bill No. 115, for the relief of Amy Lucinda Jenkins.—Mr. Pettit.

Bill No. 118, for the relief of Mabel Robb Blaiklock.—Mr. Black (Yukon).

Mr. DEPUTY SPEAKER: If it is satisfactory to the house, one motion for third reading will suffice for all these bills; they are in the same category.

Some hon. MEMBERS: Carried.

Mr. MacLAREN moved that bills No. 91 to No. 118 be now read a third time.

Motion agreed to on division and bills read the third time and passed.

SECOND READINGS

Bill No. 78, for the relief of Louis Battaino. —Mr. Lang.

Bill No. 79, for the relief of Edith May Smith.—Mr. Lennox.

Bill No. 94, for the relief of Eva Verona McColeman.—Mr. Gray.

Bill No. 98, for the relief of Henry Cutler. —Mr. Gray.

[Mr. Woodsworth.]

INTERNATIONAL PEACE

PERMANENT COURT OF INTERNATIONAL JUSTICE

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

That it is expedient that parliament do approve of the protocol for the revision of the statute of the Permanent Court of International Justice, signed at Geneva in respect of the Dominion of Canada, on the 14th September, 1929, and that this house do approve of the same.

He said: The protocol being submitted for approval of this house was signed for the Dominion of Canada by Senator Dandurand at Geneva on the 14th September, 1929, and is subject to ratification. In the ten years that have elapsed since the creation of the permanent court, the experience of its actual working arrangements has indicated that certain improvements in its organization were necessary. The French delegates were voicing a very general feeling when, at the ninth assembly, they proposed that the statute of the court be examined with a view to the introduction of such amendments as may be judged desirable. In accordance with this resolution which was unanimously adopted, the council appointed a committee of jurists which undertook the work of revision. Their report was submitted by the council of the league to a conference of states, parties to the statute of the permanent court which met at Geneva in September, 1929, for the purpose of examining the amendments of the statute recommended by the committee of jurists. This conference, in which Sir George Foster represented the Dominion of Canada, adopted a draft protocol of amendments which was aproved by the tenth assembly on the 14th September. It is not necessary at this point to examine in detail the changes embodied in the protocol whose ratification we have under consideration. They represent, for the most part, modifications in the structure and procedure of the court which its decade of experience has suggested as necessary. Inasmuch as the entire court is to be reelected this year it has seemed desirable that the recommended changes be put into practice as speedily as possible.

The motion is largely of a formal nature and I think I have given the house all the information in regard thereto which will be necessary.

Hon. R. B. BENNETT (Leader of the Opposition): It has not been ratified as yet by other countries?

Mr. MACKENZIE KING: Yes, I understand it has by many of them.

Mr. BENNETT: I agree largely with the statement of the Prime Minister that this motion is mainly of a formal character. Nevertheless, it involves a responsibility which, if discharged, would do much towards making it impossible to have recourse to war for the settlement of differences between nations. I understand that most of the nations concerned have accepted this revised statute dealing with the international court. I notice the next resolution standing in the name of the Prime Minister deals with the acceptance of the reservations made by the United States. It will be remembered that Mr. Root is largely responsible for preparing the reservations under which the United States is willing to accept the revised statute with respect to the world court. My memory is not clear as to whether or not the revised statute has been formally accepted with reservations by the United States. The only reason I asked the question was that in the event of its not being accepted it might be that this protocol would be again amended or that a condition would be imposed upon it before the senate of the United States would accept it. I asked the question for the purpose of clearing it up in my own mind.

Mr. ADSHEAD: Would the Prime Minister tell me if there is a code of laws drawn up for the guidance of the international court of justice? If there is such a document I should like to have a copy of it. If such a code does not exist for their guidance I would like to know how they proceed.

Mr. MACKENZIE KING: One of the purposes of this present protocol is to bring about something in the nature of a code under which the court will hereafter proceed. I presume the court of International Justice at the Hague follows the general practice of any court dealing with international affairs, and makes use of existing international law which in its opinion has a bearing on the question before it.

Mr. BENNETT: Perhaps the Prime Minister will not mind if I say that a committee has been set up to endeavour to codify certain outstanding views and customs with respect to international law, and when that is done obviously this court will apply such a code to disputes. The reason this court is being set up is because there is no other body in the world able to apply the principles of international law, which are more or less nebulous, to differences between nations.

Mr. ADSHEAD: When this code of laws is set up, will each of the nations have to approve of it?

Mr. BENNETT: Not necessarily.

Mr. MACKENZIE KING: In answer to the question my hon. friend asked a moment ago, I may say that for the purposes of the present protocol the United States of America shall be in the position of a state which has ratified the protocol of December 16, 1920.

Mr. BENNETT: That is not quite the question I had in mind, and I am bound to say I intended to look it up, because the Prime Minister cannot be expected to carry all these things in his mind. He will perhaps recall that the United States was unwilling to accept the revised protocol, and informed the nations of the world that they proposed to add reservations. Mr. Root was chairman of a small committee which drafted reservations assumed to be acceptable to the United States, and my memory is that the Senate of the United States has not yet ratified the conclusions at which that committee arrived, as expressed by the reservations.

Mr. MACKENZIE KING: That is correct.

Mr. BENNETT: The only reason I am raising the point is because it does occur to me that our accession to it, as it now stands, may have to be modified more or less if it is the sense of the nations of the world that the reservations which may be imposed hereafter by the United States, should have to come back for reaffirmation or ratification by the nations concerned before they are finally approved. I think that has been done in several instances, but just where we stand with respect to it now I am not quite sure. I am not quite in order; I am only speaking with the permission of the house, but I fancy we all agree that it is highly desirable that the American republic should be a party to this protocol. The United States was not a party to the original protocol. The revision to which I have referred was one by which it was hoped the United States would become a party to that protocol.

Mr. LAPOINTE: It was done for other purposes as well. I believe it was originated by France.

Mr. BENNETT: Yes, but I say it is the sense of all nations of the world that if this court is to be a great international tribunal the 120,000,000 people of the United States must be represented. That is why the present Chief Justice of the United States became a member of that court, and the other day the president nominated a distinguished international jurist from Massachusetts to take the place of Chief Justice Hughes on that court. The point I am endeavouring to make is this: If we give our accession to it now as the

protocol has been revised, and it subsequently becomes necessary to revise it again because of the character of the reservation made by the United States, it might possibly come back to us again. Probably that would be the effect of it.

Mr. LAPOINTE: Of course it would have to go back to another conference at Geneva.

Motion agreed to.

ACCESSION OF UNITED STATES TO PERMANENT COURT

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

That it is expedient that parliament do approve of the protocol relating to the accession of the United States to the protocol of signature of the statute of the Permanent Court of International Justice, signed at Geneva, in respect of the Dominion of Canada, on the 14th September, 1929, and that this house do approve of the same.

He said: In 1923 the President of the United States invited the Senate of that country to approve the adherence of the United States to the statute of the permanent court. No action was taken at that time on the president's recommendation, but in 1926 the Senate approved of the accession of the United States subject to five reservations, which were communicated to the secretary general of the league. A conference of states, parties to the original protocol of December 16, 1920, was held in Geneva in 1926 to consider these reservations and a deadlock developed on the subject of the fifth reservation concerning advisory opinions.

No progress was made for the next two years, but in 1928 the United States took the initiative in requesting, through the intermediary of Mr. Elihu Root, the reopening of the negotiations which had been dormant since 1926. The committee of jurists which at this time was engaged in revising the statute of the permanent court undertook to prepare a draft protocol which would enable the United States to adhere to the court. This protocol was approved by the tenth assembly of the League of Nations on September 14, 1929, and signed on that day for Canada by Senator Dandurand. It was signed by the United States on December 9, 1929, and by fifty-one other powers in the interim.

It is unnecessary to dwell on the great value to international peace and good feeling which must arise from the participation of the United States in the work of the permanent court. The difficulty which stood for so long in the path of its accession has been successfully surmounted in the protocol now before the house.

[Mr. Bennett.]

Hon. R. B. BENNETT (Leader of the Opposition): It was with respect to that very matter that I was asking the right hon. gentleman whether or not the Senate of the United States which, under their constitution, is required to approve of the executive action, had done so, and I stated that my memory was that the Senate had not approved of it.

Mr. MACKENZIE KING: That is correct.

Mr. BENNETT: Then I wonder if we do very much by approving of this resolution.

Mr. MACKENZIE KING: I believe many other powers including Great Britain have done so.

Mr. BENNETT: They have executed it, and so have we.

Mr. MACKENZIE KING: They have also approved, I think.

Mr. BENNETT: My understanding is that parliamentary approval, where it is necessary, is in some countries awaiting the action of the United States, but that in many instances parliamentary approval is not necessary and executive action is all that is required. I am only speaking from memory, because I did not take the trouble to look up the matter in my books. As it stands at the moment we were bound to adopt the first resolution, but with respect to the one now before the house I rather fear that if the Senate of the United States does not approve of it our ratification will be nugatory, because it would have to go back to the main body for reconsideration, it being really a contract between the powers. I had the benefit of listening to a very instructive address upon the subject by Hon. Newton D. Baker, who was a member of the administration of the United States at one time, and hence I have followed this question with a great deal of interest. The pressure in the United States to have the Senate approve of the protocol has been and is very considerable; whether or not it has been successful I cannot say.

So far as the motion is concerned certainly I desire to agree in every way with what has been said and done, but whether or not it may be nugatory, in consequence of the fact that the necessary action has not been taken by the United States, I cannot say. However, it will do no harm in any event; if it becomes necessary to do it over again all the other nations will be in the same position.

Motion agreed to.

INQUIRY FOR RETURN

On the orders of the day:

Mr. A. E. ROSS (Kingston City): On March 20 sessional paper 142 was brought

down from the Department of National Defence. The file was not complete, and some further papers were to be brought down. I should like to know if they will be brought down at an early date.

Hon. J. L. RALSTON (Minister of National Defence): If my hon. friend will give me the subject matter of the return, and its number, I will look into it.

Mr. ROSS (Kingston): It is sessional paper 142, with respect to tenders for the military college.

SALARIES OF POSTAL WORKERS

On the orders of the day:

Mr. H. A. STEWART (Leeds): Mr. Speaker, I would like to ask the Postmaster General (Mr. Veniot) if he would bring down the correspondence between his department or the Department of the Secretary of State and the Civil Service Commission since the year 1926, relating to increases of salaries of postal workers, and also copy of Privy Council order 1644 of September 14, 1925.

Hon. P. J. VENIOT (Postmaster General): Mr. Speaker, the correspondence with reference to the increases was brought down last session, but I will bring down any correspondence since that date.

Mr. STEWART (Leeds): Unfortunately what was brought down last session does not appear to be available. The distribution office informed me that the Postmaster General had taken out that return, and apparently it cannot be found.

Mr. VENIOT: The Postmaster General has not taken that return.

Mr. STEWART (Leeds): That is what the Postmaster General says.

Mr. VENIOT: They asked me whether I had the return, and I informed them I had not. However, I will bring down a copy of what we had at that time.

LACASSE AND FONTAINE

On the orders of the day:

Hon. R. J. MANION (Fort William): Mr. Speaker, I would like to draw the attention of the Minister of Justice (Mr. Lapointe) to a matter which has been appearing lately in the public press. This concerns two young men who were sentenced, I believe here at Ottawa, about last October to a term in the penitentiary upon conviction on a charge of robbery, and who I understand are still incarcerated in the penitentiary. About a month ago two or three other young men came forward and admitted that they were guilty of the crime. It is true that the press reports show that when these young men were brought up for trial they pleaded not guilty. This matter has not appeared in the press lately, and I do not know the present condition of the trial. I would draw the attention of the minister to this matter because if there is any doubt as to the guilt of the young men in the penitentiary, and there would appear to be some doubt since other men have come forward and admitted their guilt, the young men at present in the penitentiary should be given the benefit of any doubt until the guilt or innocence of the other men is proven. No atonement can be made for the punishment which these young men have undergone if they should be proven to be innocent. Unless there is very grave doubt as to the guilt of the three young men, something should be done to relieve Messrs Lacasse and Fontaine, as, according to the statement of the other three, their punishment would appear to be unjustifiable.

Hon. ERNEST LAPOINTE (Minister of Justice): I will look into this matter and will give my hon. friend an answer tomorrow.

DUTY ON TEA

On the orders of the day:

Mr. THOMAS BELL (St. John-Albert): Mr. Speaker, I desire to call the attention of the Minister of National Revenue (Mr. Euler) or the Minister of Finance (Mr. Dunning) to a telegram which I have received, reading as follows:

> St. John, N.B., May 2, 1930.
>
> When tariff imposed on tea in May nineteen eighteen stocks that had been cleared at the customs and still in tea blenders warehouse were levied on in form of excise tax at ten cents per pound. Government should now refund duty on British grown tea in dealers warehouse on which duty has been paid. We feel it would be extremely unjust to ask tea importers to suffer this loss. We have precedent in auto refund under War Revenue Act nineteen fifteen issue July nineteen twenty seven page nineteen paragraph three.

Right Hon. W. L. MACKENZIE KING (Prime Minister): This is a question which should be referred to the Minister of National Revenue, and I will direct his attention to it in Hansard.

PARLIAMENTARY GUIDE

On the orders of the day:

Mr. G. T. MacNUTT (Colchester): Mr. Speaker, I would like to inquire when the 1930 issue of the Parliamentary Guide will be

available. I have endeavoured to obtain a copy for myself, but have been told that there are none available.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am advised that copies of the Parliamentary Guide are available and if an application is made to the clerk it will be favourably received.

WAR VETERANS' ALLOWANCES

Hon. J. H. KING (Minister of Pensions) moved the third reading of Bill No. 19, respecting war veterans' allowances.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, before this bill is read the third time it would be well, I think to have removed any possible misunderstanding which may exist to the effect that the passing of this bill will conclude the work of the committee which has been dealing with returned soldiers' problems. As the house is aware, this bill came from the committee with its unanimous recommendation of support and has passed second reading without controversial discussion. When the committee on returned soldiers' problems was appointed, it was stated that it would be given the widest latitude in dealing with returned soldiers' problems, that is to say, the widest powers and authority. The committee has already devoted much time and energy to the task laid upon it. I am advised that at the present time the committee has before it proposals involving a complete change in the organization and machinery dealing with the awarding of pensions. Three proposals are being studied and it is hoped that within a very short time there will be presented to parliament for its consideration a recommendation for putting into effect an entirely new system for the presentation, hearing and awarding of pensions. In addition, the associated veteran bodies have made suggestions which cover major amendments proposed to be made to the Pension Act. Amendments are being considered to the Soldiers' Settlement Act and the Returned Soldiers' Insurance Act. I have thought it advisable to make clear to the house that in asking that this measure be given its third reading the government is not merely proposing to shelve the further work which the committee was expected to carry out at the time it was appointed. The intention is quite the opposite, namely, to further the work of the committee and enable it to be completed at the earliest possible moment. To assume that the committee would permit itself to be used for the purpose of retarding or shelving legislation in the interest of the returned men is entirely unwarranted, and any such assumption should be resented by members of the house and the committee. The government proposes to grant every facility for the passage of legislation based upon the committee's recommendations.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, the view taken by this side of the house has been that when a matter of this character arises it should be submitted to a select committee of this house. We are fortunate in having a large number of returned men on this side of the house, and they constituted largely the committee which considered the measure introduced by the Minister of Pensions (Mr. King). Where an unanimous conclusion has been arrived at as to the character of the legislation which should be enacted to meet new conditions, then we are only too delighted to see that conclusion reflected in the unanimous support of the house. So far as it is possible, every effort has been made to prevent matters of this kind becoming contentious in the sense of their being considered from a partisan point of view. I have had occasion to complain, and I suppose I will continue to have occasion to complain, of the introduction of politics into matters of this kind. The evidence is sometimes very striking, and sometimes most offensive to those of us who have no control over expenditures, but this committee having arrived at an unanimous conclusion, so far as those who sit to your immediate left are concerned, we are very pleased indeed to be able to support this legislation.

I am very glad the right hon. the Prime Minister (Mr. Mackenzie King) has mentioned the Pension Act. It will be recalled that during the course of the discussion which took place in this chamber there did not seem to be the same desire on the part of the minister to overhaul the whole machinery of the Pension Act, as has now been indicated by the Prime Minister, or as was indicated by the Minister of Pensions and National Health (Mr. King) after the long discussion which took place upon the amendment proposed by the hon. member for Muskoka-Ontario (Mr. McGibbon) on the second reading of the bill. The announcement that this committee will be continued for the purpose of considering and arriving at conclusions as to how the machinery for the granting of pensions can be impoved will, I am sure, be received with great satisfaction throughout the country. The complaints are really such that I think they will yield to very simple treatment and in that regard I know there is a well defined view amongst many men that at

the moment a few short sections would probably cure the main difficulties that have been indicated in the administration of the act.

As regards soldier settlement matters, the action taken the other day by the Minister of Finance (Mr. Dunning), in accordance with the recommendations of the Audit Board, in making a further appropriation of $10,000,000 as against loans outstanding to the settlement board, is a step in the right direction so far as it goes, but it will be difficult to salvage much of the personal property and the committee dealing with the matter will find a great deal of difficulty in arriving at a satisfactory conclusion as to how that situation should be dealt with. As long as we are assured that the committee will have a free hand to deal with that as well as the problems in connection with the administration of the Pension Act, we are quite content and pleased that the members who represent this party on the committee will have a further opportunity of rendering useful and disinterested service to those who were their associates and comrades.

Motion agreed to and bill read the third time and passed.

MILITIA PENSION ACT AMENDMENT

Hon. J. L. RALSTON (Minister of National Defence) moved the third reading of Bill No. 43, to amend the Militia Pension Act.

Motion agreed to and bill read the third time and passed.

TORONTO TERMINALS RAILWAY

Hon. T. A. CRERAR (Minister of Railways and Canals) moved that the house go into committee to consider the following proposed resolution:

That the acts relating to the Toronto Terminals Railway Company be amended to provide that the amount of $10,500,000 which the Canadian National Railway Company was authorized to issue by the amending act, 1928, chapter 51, may be increased to an amount not exceeding $14,150,000, to be used for the purposes therein prescribed and for defraying the cost of other railway facilities necessitated by or incidental to the construction of the viaduct and works.

Motion agreed to and the house went into committee, Mr. Marcil in the chair.

Mr. BENNETT: This involves an extra obligation on the Canadian National, I suppose?

Mr. CRERAR: Yes.

Mr. SPENCER: Explain.

Mr. CRERAR: This resolution is the preliminary to the introduction of a measure providing for granting the securities necessary for the completion of the works that have been proceeding in Toronto for several years past. The amount required is $3,650,000.

Mr. BENNETT: What does that make the total expenditure?

Mr. CRERAR: It will make the total expenditure on the part of the Canadian National Railways about $17,000,000. The matter was discussed in the house when a similar bill was introduced in 1928. It was also, I find, discussed pretty fully at that time before the special committee on Canadian National railway estimates. It was anticipated then—and I believe information was given to the house to that effect—that this additional amount would be required to complete the work. I do not know that I need say anything further on the general principle beyond the statement that I made a moment ago, namely, that this is simply carrying out a program of work that was already arranged for in 1928, and I am informed that so far as the Canadian National Railways are concerned, this will complete that program.

Mr. GARDINER: Has the minister before him any items going to show the necessity for this extra grant? I believe when the bill was before the house in 1928, we understood the amount provided then would be sufficient to complete the work.

Mr. CRERAR: I am informed that when the measure was before the house in 1928, it was referred to the special committee on Canadian National railway estimates and fully discussed there. At that time the committee was informed that that amount would be required later, either in 1929 or 1930. As regards the details of the expenditure, it is for the completion of the viaduct to which both railways as well as the city of Toronto have contributed under the legislation passed for its construction and for certain other works that the Canadian National Railways and the Canadian Pacific Railway have found necessary in the joint scheme to carry out, I presume, rearrangement of their yard facilities and that sort of thing.

Mr. BENNETT: Trackage.

Resolution reported, read the second time and concurred in. Mr. Crerar thereupon moved for leave to introduce Bill No. 129, respecting the Toronto Terminals Railway Company.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

LOAN OF $20,042,038.84 TO REFUND OBLIGATIONS OF CANADIAN NORTHERN AND MINNESOTA AND MANITOBA RAILWAY COMPANIES

Hon. T. A. CRERAR (Minister of Railways and Canals) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to bring in a measure respecting the Canadian National Railway Company, to provide for the refunding of certain notes or obligations of the Canadian Northern Railway Company and the Minnesota and Manitoba Railroad Company, and for the issue of substituted securities therefor guaranteed by the Dominion not exceeding $20,042,038.84, the aggregate face value of the original securities.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. STEVENS: I think we ought to have a pretty full explanation of this resolution, including any reasons for the exchange of securities, and so forth, because I cannot recall that this matter has been discussed in the special committee on railways and shipping.

Mr. CRERAR: It has not been discussed in the special committee at any time in the past, as I understand it, for the simple reason that there was no occasion to bring it before the special committee. This resolution is the preliminary to a bill to provide by way of guarantees $20,042,038.84, to cover maturing obligations of the old Canadian Northern branch lines in Manitoba, and if my memory serves me, part of the branch line from Winnipeg to Fort William. Most of those securities mature on June 30, 1930; one obligation matures in November, 1930, and another on October 1, 1930. These obligations have to be taken care of on the maturing dates, and this legislation is to authorize the Canadian National Railways to sell its bonds guaranteed by the government, with the ordinary provisions that attach to such guarantees, to provide for the taking up of these securities.

Mr. STEVENS: May I ask whether any sinking fund existed for the redemption of these securities, and if so, to what extent, and were the original securities guaranteed by the government or are we now substituting guaranteed for unguaranteed securities?

Mr. CRERAR: I am not aware at the moment that any provisions for sinking fund existed in connection with the old securities. With the exception of one subsidiary company, the majority of these securities were guaranteed by the Manitoba government at the time they were issued twenty years ago. There was one, perhaps two, of these subsidiary companies of the old Canadian Northern in Manitoba at that time whose securities were not guaranteed by the provincial government, but the others were all guaranteed. There is quite a flock of these subsidiary companies of the old Canadian Northern railway system.

Mr. STEVENS: One hundred and twenty-three.

Mr. CRERAR: These obligations mature this year, and this is simply to provide the machinery whereby the Canadian National Railway Company can take care of them when they come due.

Mr. STEVENS: I want the minister to understand that I am not objecting at all, but we have found from experience that these are matters of very great importance. Is it the intention, after the bill is passed, to send it for examination to the special committee on railways and shipping? If that is not in the minister's mind, I would suggest that it might be advisable to take that course because the president and the officers of the road are present at that committee and the fullest information is very readily given. That committee I think has been wonderfully useful and productive of a great mass of information. Very often it clears away any doubts there may be as to the advisability of a given course. I am not calling this matter in question at all. I am simply pointing out that it should receive close scrutiny, and I would suggest to the minister that the bill be referred to the special committee after it receives its second reading.

Mr. CRERAR: I am very anxious to meet the wishes of my hon. friend. I do not think the course that he suggests is necessary, but I shall be very glad to comply with it upon one condition, and that is that the bill receive its second reading to-day. In that case I would have no objection to having it go before the special committee. I understand that we are to resume the budget debate tomorrow, and no one knows how protracted that may be, and if it should run on for a very considerable period, unless the bill receives its second reading to-day, we should be delayed in getting it before the special committee. If my hon. friends are agreeable to that course, I am quite willing to let the bill go to the special committee.

Resolution reported, read the second time and concurred in. Mr. Crerar thereupon moved for leave to introduce Bill No. 130, respecting the Canadian National Railways, and to provide for the refunding of certain maturing financial obligations.

Motion agreed to and bill read the first and second times and referred to the special committee on railways and shipping.

LOAN OF $8,609,000 TO RETIRE CENTRAL VERMONT REFUNDING MORTGAGE BONDS

Hon. T. A. CRERAR (Minister of Railways and Canals) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to bring in a measure respecting the Canadian National Railway Company to provide for the issue of new securities by the company, guaranteed by the Dominion, not exceeding $8,609,000, the aggregate face value of the original securities, to repay temporary loans negotiated by the company as successors by amalgamation to the Grand Trunk Railway Company of Canada for the purpose of retiring the five per cent ten-year refunding mortgage gold bonds of the Central Vermont Railway Company, dated May 1, 1920, amounting to $8,609,000.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. BENNETT: Here is something very serious—the placing of a guarantee of this country behind securities for a railroad in the United States of America. I certainly think it is a wrong policy. I understood that in the reorganization of the Central Vermont railway its securities were to be financed without our guarantee. If you put the guarantee of the Canadian National Railways behind those securities, that is one thing; if you put this country behind them, it is another. It amounts to the same thing in one sense, but not in another. The whole of the Central Vermont system is in the United States, and I am sure the hon. minister will remember the discussion about the Minnesota and Manitoba railways. A small mileage of that railroad is in the state of Minnesota, and some grave constitutional difficulties arose in connection with freight rates and matters of that kind because of that fact. That was many years ago.

Now, does the minister think as a matter of public policy that the Dominion of Canada should guarantee the bonds of a railway in another country? I confess to him that I have thought about it a great deal and have been unable to find any evidence of any other country ever having done so. Surely if the road is as valuable as it is thought to be since the reorganization, the securities should be sold the same as other railways sell their securities —in the United States; and if not, we should finally, after very careful consideration, determine what our future course is to be as a matter of policy and act upon it. We have the port of Portland on our hands now, and we have this and one or two other railways in the United States in our possession. Some very thoughtful writers, I observe, are of the opinion that we should sell our United States' holdings. I suppose the hon. minister saw the article some time ago in this connection suggesting that that be done. I fancy I reflect the mind of a very great many Canadians who are very, very apprehensive when you ask this Dominion to put its guarantee behind the securities of a railway in a foreign country. I should like the minister's explanation of the matter in the light of that fear that has been expressed to me in letters that I have received since the resolution came on the order paper. Certainly, I repeat, my understanding was that the Canadian National Railways and the Central Vermont railway were arranging the finances, and that the Dominion of Canada as such would not appear in the matter.

Mr. CRERAR: In reply to my hon. friend, this bill does not ask the guarantee by the Dominion government of any Central Vermont railway securities. It is a bill to guarantee the securities of the Canadian National Railways, the same as many other bills that have gone through the house.

Mr. BENNETT: Oh, no.

Mr. CRERAR: The proceeds of the sale of the securities provided for in the resolution will be utilized by the Canadian National Railways to repay temporary loans which they made a few years ago, necessarily arising out of the situation in the Central Vermont railway.

Mr. BENNETT: The hon. minister has it wrong, I am sorry to say. If he will look at his resolution he will see that the first part of his statement is correct, but not the latter part. The resolution reads:

That it is expedient to bring in a measure respecting the Canadian National Railway Company to provide for the issue of new securities by the company—

That is, by the Canadian National Railways.

—guaranteed by the Dominion, not exceeding $8,609,000, the aggregate face value of the original securities, to repay temporary loans negotiated by the company as successors by amalgamation to the Grand Trunk Railway Company of Canada for the purpose of—

Of what?

—for the purpose of retiring the five per cent ten-year refunding mortgage gold bonds of the Central Vermont Railway Company, dated May 1, 1920, amounting to $8,609,000.

The Central Vermont railway issued ten-year gold bonds at five per cent for $8,609,000 in 1920; they are now coming due. The Central Vermont railway should meet them because they are their obligation. We have reorganized the Central Vermont railway through receivership, and we now control its capital stock and the issue of its securities, which I understood were sold without the guarantee of the Dominion. My information was given to me by one of the officials, without having his books before him, that the road is operating now on a profitable basis. I do not say it is earning sufficient to pay interest on all its securities, but it is making a little money and is now a first rate road. The Governor Smith family that at one time, as the hon. minister knows, controlled the Central Vermont railway, have now, by process of receivership, been eliminated from control, and the capital stock belongs to us, but it cost many millions of dollars to reorganize it through the receivership. These $8,609,000 ten-year gold bonds mature this year. I think there is some other money in there too than the Central Vermont railway bonds. It strikes me that the Central Vermont railway should arrange its own finances.

Mr. CRERAR: It might have been better before answering my hon. friend's question if I had given the background connected with this matter. Many years ago the old Grand Trunk Railway of Canada became associated with the Central Vermont Railway system. As time went on the relationship developed to the point where the Grand Trunk railway secured control of the Central Vermont railway. This road was in receivership back thirty-one years ago, and in the reorganization which then took place certain financial assistance was given by the Grand Trunk railway, for which it received seventy-three per cent of the common stock of the Central Vermont system. In 1920 the Central Vermont railway had some $12,500,000 of securities maturing which it found very difficult to finance, and the board of directors of the Grand Trunk railway at that time placed the guarantee of the Grand Trunk railway behind the securities of the Central Vermont railway both as to principal and interest. In 1920, as many hon. members know, there were disastrous floods in the state of Vermont, with the result that bridges were destroyed, grades washed out and other serious damage done to the system. It was necessary of course to make good this damage. The Central Vermont railway was then thrown into a receivership and, as my hon. friend stated a moment ago, that receivership terminated a short time ago by the Canadian National railway system, who were the inheritors of the old Grand Trunk railway, securing complete control of the stocks of the Central Vermont system.

Mr. BENNETT: Just there, to enable the minister to go on with his statement without further interruption, that was the time, it occurs to me, that a thoughtful administration would pause and consider whether or not they should let somebody else take over the Central Vermont system instead of ourselves. In other words, might not the first loss have been the best loss?

Mr. CRERAR: Of course, my hon. friend the Minister of Finance (Mr. Dunning) was then in charge of the railway department. I think the judgment of the government at the time was that the position taken by the Canadian National Railways management was sound. In other words, they had either to look after these maturities or let the whole thing go by the board. Not only did the Canadian National railway system, as the inheritors of the old Grand Trunk railway, have a very substantial financial interest in the Central Vermont railway, but the Central Vermont railway was also of very great value to the Canadian National system as part of its transportation organization.

When the company was thrown into the receivership in 1927 following these disastrous floods there were still outstanding $8,609,000 of these bonds which had been issued in 1920 and which had been carried by the Grand Trunk Railway. Of course they immediately became due, and to protect them the Canadian National Railways through a process of temporary financing found the funds to take them up. It remained in that state until the receivership was finally discharged in the month of January of the present year. The present measure simply seeks to enable the Canadian National railway system to issue these securities with the guarantee of the government. They are securities of a general kind which would be guaranteed by the government to repay the temporary financing. I believe that was done through the Canadian banks in 1927, when $8,609,000 worth of bonds were required to be taken up.

Mr. BENNETT: But were the bonds sold in 1927?

Mr. CRERAR: No.

Mr. BENNETT: Were they repaid?

Mr. CRERAR: The bonds were taken up and were repaid, as I understand it; that is why the temporary financing was done.

Mr. BENNETT: They were not due until May 1st of this year.

Mr. CRERAR: They became due through the receivership.

Mr. BENNETT: A receivership does not make a bond due.

Mr. CRERAR: I am told that that is the occasion for having these securities.

Mr. STEVENS: The Canadian National Railways were responsible for very much more; I think they were responsible for about $38,000,000 altogether. I recall some items of this character in the general group of finances which had to be cared for. But the special financing of the Canadian National Railways which in the budget of this year the minister reported had been successfully covered by an issue, was the sum of $40,000,000 borrowed from the banks to cover the various outstanding maturities which had been redeemed. That was in the fall of 1928; it was carried into 1929 and it was finally discharged by two issues of $60,000,000 each by the Canadian National Railways, absorbing those advances by the bank. If this was included, as the minister included it, in the borrowings from the bank it would be in the $40,000,000, and therefore there would be no necessity for that, so that it could not have been included in that sum.

Mr. CRERAR: It may have been advanced by the then finance minister, but it was temporary financing on the part of the Canadian National Railways.

Mr. STEVENS: I think this bill should go to the committee, the same as the other one. For the information of the house I ask the minister if the receivership has been completely discharged.

Mr. CRERAR: Yes, it has been.

Mr. STEVENS: And the railway is now completely owned by the Canadian National railway system?

Mr. CRERAR: Yes, the Canadian National Railways control all the stock of the Central Vermont system.

Mr. STEVENS: And the Canadian National Railways are responsible for the securities of the Central Vermont system?

Mr. CRERAR: Yes.

Mr. BOYS: Is the Dominion responsible at the present time for all those bonds of the Central Vermont Railway which are to be retired?

Mr. CRERAR: No, I should have said that the securities of the Central Vermont system —you are referring to the ones mentioned here?

Mr. BOYS: I wish to find out whether this constitutes a new obligation in the form of a guarantee on the part of the Dominion or whether it is merely the retiring of bonds of the Central Vermont system for which the Dominion is responsible by way of guarantee or in some other way. If the Dominion is not responsible at the present time for these, this is a new undertaking and a new obligation on the part of the Dominion of Canada.

Mr. CRERAR: Evidently I failed to make my meaning clear to my hon. friend. These bonds were issued in 1920, to the extent of $12,500,000 if my memory is correct; they were guaranteed by the Grand Trunk railway system, and they were Central Vermont bonds. When the receivership was applied for in 1927, $8,609,000 of these bonds were still outstanding.

Mr. BENNETT: Or did that $8,000,000 buy the whole $12,000,000?

Mr. CRERAR: No, these were in the hands of the Canadian National Railways, and I am told that it became necessary to care for these bonds. I presume there was a provision in the bonds to the effect that if the interest were not paid or if some other condition were not complied with, the bonds would forthwith become due and payable. At any rate the Canadian National railway system found it necessary to take up this $8,609,000 worth of bonds. That was accomplished by temporary financing. Where the money came from I am unable to say at the moment.

Mr. BENNETT: It is unimportant at the moment.

Mr. CRERAR: The Canadian National Railways are now the sole holders of the bonds of the Central Vermont system, and it is now necessary to provide for the temporary financing for the purpose of taking up these bonds. The present bill provides for that. Consequently it does not add anything to the obligations of the Canadian National Railways. I am informed that the value of the Central Vermont system to the Canadian National railway system is very considerable indeed. The Central Vermont system repre-

sents the distributing end of the New England states, largely for the heavy traffic on the Grand Trunk western lines in that part of the United States lying west of the province of Ontario. The traffic originating on the Grand Trunk western lines hauled through the province of Ontario and Quebec, is passed on for distribution in the New England states through the Central Vermont system. This traffic is perhaps the most valuable under the control of the Canadian National Railways.

Mr. BENNETT: I am afraid the minister has not grasped the significance of the questions which were asked. There was a receivership; why were these bonds not cleaned up in the receivership? As a general rule when a company goes into the receiver's hands it does so for the reason that it cannot pay its debts. In this case a receiver was appointed; ultimately the property was sold under the hammer and this country through the Canadian National Railways, bought it in. The question I ask is how did this country buy it in unless it was bought in subject to the payment of $8,500,000 of bonds or subject to some other provisions of which we have no knowledge. I suppose those provisions will be stated and the matter will be cleared up before the special committee. If the Canadian National Railways took up these bonds in order to buy the property it means that we are putting $8,500,000 into property because we bought it at a receiver's sale. We otherwise would not have it at all, but having bought the property we have to pay the prior encumbrances registered against it. That is the whole story as I see it. If it was a receiver's sale and it was sold subject to $8,500,000 in bonds, we have to pay them off. From the remarks of the minister I gathered that the bonds were retired by temporary loans and before title could be completed in court. They had to get money so that the bondholders could be paid off and they paid them in order to get title to the Central Vermont Railway. My point is that this parliament should have been consulted as to whether or not we should have bought in that property. That is the difficulty I am in. I will admit that the railway is very valuable for the purposes of distribution, but there is no other company capable of operating it. No one else could take a lease for ninety-nine years, or whatever it might be. We have put enormous sums of money, perhaps $25,000,000 or $30,000,000, into this property since the receivership. Apparently what has happened is that the Canadian National Railways, at a receiver's sale, bought this property which was subject to a Central Vermont mortgage loan of eight and a half million dollars, and having bought the property we had to pay off that amount by temporary borrowings to enable a title to be made by the referee or judge in equity. The receiver went out of possession and we issued Central Vermont securities. It seems to me that if Central Vermont securities were issued they should have been placed in the treasury of the Canadian National Railways as against any contributions we might make, but the question I put to the minister for his consideration is whether the guarantee given in connection with any railroad which is out of the country should not be the guarantee of the railway company—the Canadian National Railways—instead of the guarantee of the Dominion. There is not very much difference in fact but there is a great difference in law. The one involves the nation and the other a corporation; the one involves the Dominion of Canada and the other the Canadian National Railways, which is an entity. With the information supplied by the minister I believe we now understand the situation; that is, this property was sold subject to an obligation, which obligation was paid by the Canadian National Railways.

Mr. CAHAN: According to my knowledge that is the fact.

Mr. STEVENS: Could the minister give us the total amount we have invested in this road?

Mr. CRERAR: The road was bought in at the receiver's sale by the Canadian National Railways for $22,000,000, I think. In addition to that there is $5,000,000 advanced under receiver's certificates. That does not represent the total amount invested in the Central Vermont system by the old Grand Trunk system which, as my hon. friend stated a few moments ago, amounted to about $38,000,000.

Mr. STEVENS: Does that include this $8,000,000?

Mr. CRERAR: Yes, that was included, and in that $38,000,000 is included also the $12,000,000 guaranteed in 1920.

Mr. BOYS: I do not know that any great good will result from prolonging this discussion when the minister says the bill which will be introduced will be sent to the special committee, but I must confess that as the matter stands now I do not understand the proposition at all. I understood the minister to say that these bonds had been cared for by temporary loans, and if that was the case they must have been paid off. Now we are told they were not paid off, that when the

railway was sold to the Canadian National Railways these bonds were an obligation. Certainly the minister did say they were taken care of by temporary loans. I do not know how you take care of a mortgage or bond by a temporary loan except by paying off the obligation.

Mr. CRERAR: That was done.

Mr. BOYS: If they have been paid off they are not in existence to-day, so why should we require this amount to retire gold bonds which were retired long ago?

Mr. CRERAR: This money was raised by loans from the bank.

Sir EUGENE FISET: In discussing this matter in committee last year it was stated by the officials of the Canadian National Railways that the $8,000,000 was to be taken off the $40,000,000 temporarily borrowed from the banks.

Mr. STEVENS: Then this amount is included in the $40,000,000?

Sir EUGENE FISET: That was the obligation contracted through temporary loans from the banks.

Mr. STEVENS: I think my hon. friend has made the situation still more involved. There was some $40,000,000 borrowed from the banks to take care of certain outstanding obligations. If that amount included this $8,000,000 there is no occasion to raise this amount now, because bonds to the amount of $40,000,000 already have been retired by an issue announced by the Minister of Finance in his budget speech the other day.

Sir EUGENE FISET: It was also stated that special legislation would be necessary in order to refund this amount.

Mr. BOYS: Would the minister tell the committee whether the bonds were retired by temporary loans? If they were so retired, they cannot be in existence.

Sir EUGENE FISET: We all understood they were retired out of temporary borrowings from the banks.

Mr. CRERAR: I am sure my hon. friend will understand if my information is not so complete as it should be, because I have only gathered the background of the story in rather a general fashion. However, my information is that when the Central Vermont railway was thrown into receivership in 1927 these bonds then outstanding, to the amount of $8,609,000, had to be provided for, which was done by the management of the Canadian National Railways—I presume with the consent of the Minister of Railways of that time—through temporary loans. The position remained in that way until the receivership proceedings were finished, which I believe took place in January of this year.

Mr. BOYS: The minister says this obligation was met by temporary loans. Does not that mean that those loans retired the bonds which were outstanding? I can understand the government now wanting this money to repay those temporary loans, but that is not what the resolution says. It may be that in the end we will achieve that result, but if that is the meaning of the resolution it is not well expressed. The minister surely will not suggest that the resolution does not plainly say that this amount is required to retire the 5 per cent ten-year refunding mortgage gold bonds of the Central Vermont Railway Company, amounting to $8,609,000. That statement leads one to conclude that they exist to-day, whereas the minister says they do not exist but have been paid off. There may be loans from some bank for which the proceeds of these bonds may be required, but that is not what the resolution says.

Mr. CRERAR: I have not the good fortune to belong to the legal profession and consequently do not wish to criticize the wording of the resolution. May I say, however, that the whole purpose of the bill which will be based on this resolution is to provide for a means of repaying to the Canadian National Railways the moneys temporarily borrowed for the purpose of retiring these bonds, and that is the intention of the resolution. I may say further that the bonds of the Central Vermont Railway Company to an equivalent amount will be lodged with the Minister of Finance, and if in the future a favourable opportunity presents itself, these bonds may be sold.

Resolution reported, read the second time and concurred in. Mr. Crerar thereupon moved for leave to introduce Bill No. 131, respecting the Canadian National Railway Company and to provide for certain financing in connection with certain lines of railway located principally in the state of Vermont.

Motion agreed to and bill read the first and second times.

Mr. CRERAR: Now, Mr. Speaker, I move that this bill be referred to the special committee on Canadian National railway estimates.

Mr. BENNETT: In consenting to the second reading of these bills, we do not commit ourselves to the approval of any principle which may be involved therein, but reserve our rights in sending them to a committee in order to expedite the business of the house.

Mr. CRERAR: I quite understand that.

Motion agreed to.

EXCHEQUER COURT ACT

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 122, to amend the Exchequer Court Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Payment of money into court where doubt exists as to whom it should be paid.

Mr. BENNETT: This enables the Exchequer court to deal with interpleader proceedings.

Mr. LAPOINTE: Exactly; I gave an explanation the other day. This is to provide machinery for the deposition of money with the Exchequer court in cases where money belonging to other parties is in the hands of the crown. Claimants shall set forth their claims to the money, and the court shall direct as to whom it shall be paid. This would refer to such cases as the decision of the pecuniary claims commission. That commission decided that the United States should pay to Canada a certain amount of money in respect of claims which had been made by the government on behalf of certain Canadian claimants. The decision merely stated that such an amount should be paid without adjudicating as to the various claims. It is rather embarrassing for the government to make such adjudication, and this bill provides that such matters shall be decided and settled by the Exchequer court.

Section agreed to.

Bill reported, read the third time and passed.

CRIMINAL PROCEDURE IN ALBERTA

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 123, respecting criminal procedure in Alberta.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

[Mr. Crerar.]

On section 1—Order in council confirmed.

Mr. BENNETT: Is this bill acceptable to the Attorney General of the province?

Mr. LAPOINTE: It is introduced at the request of the Attorney General of the province of Alberta.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

ROYAL CANADIAN MOUNTED POLICE

PROVISION FOR READJUSTMENT OF PENSIONS

Hon. ERNEST LAPOINTE (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to provide for the readjustment in accordance with the terms of the Royal Canadian Mounted Police Act of the pensions of officers and constables of the Royal Canadian Mounted Police who were retired to pension prior to 31st May, 1924, and who were in receipt of extra pay during the whole or part of the period from 15th May, 1919, to 30th May, 1924; and to readjust the pensions of widows of officers who had received the extra pay as aforesaid.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. LAPOINTE: This resolution is for the purpose of introducing a bill to give effect to demands which have been made and recommended by various members of the house, among whom is my hon. friend the leader of the opposition (Mr. Bennett). Under the statute of 1919, the governor in council was authorized to pay a bonus or extra pay to the officers of the mounted police. This bonus was paid for five years, the order in council being extended from year to year until 1924. In 1924, this extra pay was consolidated with the regular or statutory pay, and since that date the pay received by the men has included the bonus paid during those five years. At the same time the rate of pension was increased in order to be based upon the new salaries including that extra pay, but only from 1924. The few officers who were retired during the period extending between 1919 and 1924, and who were being paid this extra bonus when their retirement took place, were not included and they were not granted this new rate of pension to which they would have been entitled had the consolidation taken place earlier. They were receiving this additional salary, but it was not included in the pension which was granted to them. All the associations of the old mounted police officers have been asking the govern-

ment to include those few men in order that they might be granted the same pension. I may say that they are very few and unfortunately they are rapidly disappearing. At the present time the extra amount which will be added to the pension bill will be only about $8,000 and this amount will decrease gradually as those men disappear.

Mr. BENNETT: The Minister of Justice is quite right in referring to a communication that I directed to him in connection with this matter. I pressed upon him the claims of a certain number of pensioners of the old police force, who because of the change in pay by reason of the discontinuance of the bonus, found themselves receiving a much smaller pension than those who left the force a little later with the same number of years to their credit, the fact being that what was a bonus was converted into salary and naturally it being so converted, the pension was based upon the salary they were receiving. In this way men with a lesser number of years of service found themselves in some instances receiving a somewhat larger pension than those who had taken pension in previous years. I should like to learn from the minister the number of persons affected, and another question pressed upon me by those interested is whether or not it will be applicable to widows of pensioners.

Mr. LAPOINTE: Yes.

Mr. BENNETT: As the minister knows, the case to which I was directing particular attention was what I conceive to be a very deserving one of a widow of an officer who had died and whose pension was based upon his salary less bonus, although the widow of another officer who died with fewer years of service to his credit—

Mr. LAPOINTE: Does my hon. friend remember the name of that widow?

Mr. BENNETT: I should not care to mention it.

Mr. LAPOINTE: I have the names of those to whom the matter would apply.

Mr. BENNETT: I will look at the list when it is ready. There are two in whom I am interested. If it deals with the case of widows as well, I am glad that the government has been able to take this action.

Mr. LAPOINTE: It does.

Mr. BENNETT: I hope this bill removes any possible chance of further complaint upon that score. Is the measure sufficiently comprehensive to deal with all the cases I formerly discussed with the minister?

Mr. LAPOINTE: It deals with those with which my hon. friend dealt in his letter. There are about twelve former officers, five widows of officers and about thirty men who are dealt with by this legislation.

Resolution reported, read the second time and concurred in. Mr. Lapointe thereupon moved for leave to introduce Bill No. 132, respecting the Royal Canadian Mounted Police.

Motion agreed to and bill read the first and second times.

Mr. BENNETT: I should not like the house to go into committee on the bill this afternoon as some further information is desired.

Mr. LAPOINTE: Very well.

JUDGES ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to amend the Judges Act to provide that an annuity equal to his salary at the time he ceased or ceases to hold office may be granted to a judge of the Supreme Court of Canada or of the Exchequer Court of Canada who held office on 31st March, 1927, and continued or continues in office until he attained or attains 75 years of age; and that an annuity equal to two-thirds of the salary annexed to the office which such judge holds at the time he so ceases to be a judge may be granted to a judge of the said courts, appointed after 31st March, 1927, attaining 75 years of age after service of 10 years, or aggregate service of 10 years in that office and as judge of a provincial superior court.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. LAPOINTE: As the members of the committee will no doubt remember, in 1927 the Judges Act was amended so that judges of the Supreme Court of Canada and the Exchequer Court of Canada—it applies not to other courts but merely to the federal high court—on reaching the age of seventy-five should cease to hold office. It was provided in that act that on retirement the judges of these courts would be granted a pension or annuity equal to two-thirds of their salary. At that time the hon. member for St. Lawrence-St. George raised the point that with respect to judges who had been appointed prior to the enactment of this new law it was not fair to deprive them at the age of seventy-five of part of their salary; that they had been appointed for life and that the least we could do, if it was desired to provide for their com-

pulsory retirement, was to respect what my hon. friend then called a contract or agreement and to give them an allowance equal to their full salary. I did not agree with my hon. friend at the time, but I must say that since I have been reconsidering the matter I have found that there is much force in that contention; and for those judges who were then members of the court, and they are very few indeed, this law will provide an annuity equal to their salary. Of course all judges appointed following this legislation will take office with the full knowledge that their term will expire when they reach the age of seventy-five, and they will be granted a pension amounting only to two-thirds of their salary.

Mr. WHITE (Mount Royal): I presume that the case of Mr. Justice Mignault is covered by this legislation?

Mr. LAPOINTE: Yes.

Mr. WHITE (Mount Royal): I congratulate the minister upon doing him this justice, though it is tardy.

Mr. LAPOINTE: My hon. friend is right.

Mr. CAHAN: The only point I wish to make is this. As I said before, there are judges who have reached the age of seventy-five who are still competent to carry on judicial work, and it might be well for the Minister of Justice to consider whether their services should not be made available in case of the temporary absence of other judges from the court, or made available for such work as is given to judges upon commissions.

Mr. LAPOINTE: As far as acting on commissions is concerned, there is nothing to prevent judges who have reached the age of seventy-five and are fit to do the work from being engaged for special work of that character.

Mr. CAHAN: Their services, it seems to me, should be made available without salary.

Mr. BENNETT: On the second reading of the bill I was going to refer a little more at length than my hon. friend from St. Lawrence-St. George has done to that very matter. Why should we not provide that judges might sit ad hoc?

Mr. LAPOINTE: You mean retired judges?

Mr. BENNETT: Yes. In England, Lord Mersey used to go down and hear divorce cases when there was a full list, although he was a man of eighty. Frequently that has been done in England. Now that we are providing for pensions for judges, I think we might provide that if any retired judge is willing to sit he might be called in to sit ad hoc for the purpose of making a quorum or ensuring a full court. The real difficulty with the judges of seventy-five has been the strain of continuous work, but their vast experience would certainly be very useful if it could be utilized on special occasions. During the summer I had occasion to think of another matter, and I made up my mind to speak to the minister in that sense. I had not intended to do it just now, but my hon. friend from St. Lawrence-St. George has brought it back to my mind. I think that if we pay a pension with respect to all tne retired judges we should have a call on their services to sit ad hoc in any appeal court if it is thought desirable to have them. I do not know whether it can be entirely worked out or not, but in Great Britain it has worked very satisfactorily.

Mr. LAPOINTE: The suggestion is certainly worthy of consideration, and I promise my hon. friend to look into the matter.

Mr. CAHAN: I notice that in England, as the leader of the opposition says, judges who are practically retired do sit not only in probate and admiralty but in other divisions from time to time in order to fill vacancies ad hoc. I know men who have reached upwards of eighty years who perform such functions.

Resolution reported, read the second time and concurred in. Mr. Lapointe thereupon moved for leave to introduce Bill No. 133, to amend the Judges Act.

Motion agreed to and bill read the first time.

DEPARTMENT OF MARINE

PROVISION FOR SEPARATE DEPARTMENT PRESIDED OVER BY A MINISTER

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the second reading of Bill No. 126, respecting the Department of Marine.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Short title.

Mr. MACKENZIE KING: On Friday I gave all the particulars, I think, which the house would wish to have with respect to this bill and the next two on the order paper. The purpose of these measures is simply to divide what is at the present time the Department

of Marine and Fisheries into two separate departments, a Department of Marine and a Department of Fisheries. The law officers of the crown thought that it was best to proceed by creating the two new departments, and then formally to repeal the old act under which the Department of Marine and Fisheries exists to-day. This bill, as well as the bill respecting the Department of Fisheries, is to all intents and purposes, in its phraseology and provisions, identical with the Marine and Fisheries Act as it now stands, only such changes being made as are essential to separate the two departments.

Mr. BENNETT: I understand that it is proposed to put dredging in the hands of the marine department?

Mr. MACKENZIE KING: For a long time it has appeared to the government that some reorganization of the work of some of the departments would be in the public interest and it has seemed advisable to have dredging brought as largely as possible into the Department of Marine instead of having it retained, as it is now, in part in the Department of Public Works, in part in the Department of Railways and Canals, and in part also in the Department of Marine and Fisheries. The idea is to get as far as may appear to be desirable all the dredging into the one department.

Mr. BENNETT: If there is one matter in Canada about which it might be said that scandals have arisen, it is dredging.

Mr. MACKENZIE KING: This ought to prevent it.

Mr. BENNETT: This will add to it because it is putting the dredging into the department where it does not belong. The Public Works department should handle it because it has the facilities. I had to read a year ago last spring a judgment given by the judge of the exchequer court in connection with a dredging contract which was awarded by one department and dealt with by another. The Public Works department has the engineers, it has the machinery, to take care of this work. That is its business. I learned at that time that the Department of Railways and Canals, for instance, also has engineers who are capable of dealing with certain phases of dredging contracts. The marine department up to the present moment has not been equipped particularly for that business; the Public Works department and the Railways and Canals department have been. When I read the testimony in that case where the applicant was awarded a large sum of money, I am bound to say I felt the crown should have taken an appeal from the decision of the exchequer court. A dredging contract had been made, it had been assigned, and then boulders larger than those expected were found. In the end the exchequer court gave judgment for a substantial sum of money. At the time I discussed the subject of dredging with some of our friends, and I think if the Prime Minister will make inquiries he will find that two of the departments are peculiarly equipped at the present moment both as to dredges and staff to deal with it. The very words "railways and canals" involve an engineering staff with the requisite knowledge to deal with the situation. The marine department originally was never intended to deal with these matters; when Mr. Smith was deputy minister, it was not a department dealing with matters other than those touching shipwrecks, shipping and fisheries. Now that a special commission has recommended a separate department of fisheries, Professor Macmillan is not going to be a tremendously busy man if he gets the position. He will have a few weeks work, I suppose, before a general election, but in any event it does not appear to me that there will be such a tremendous amount of work in the fisheries department alone as to keep the new minister very busy. My friend from Quebec would seem to think that the fishing was good. He might make it an all the year round job, but I doubt even that. But, seriously, I do think that if the Prime Minister will look into this, he will see that the public works and railways and canals departments have an adequate engineering staff and already own a considerable quantity of dredging equipment.

I should like the Prime Minister to look into the cost of dredging in the various departments as shown by the Auditor General's report last year. It is one of the most amazingly interesting studies in the world. I have not the time these days to go into it that I had in the days gone by, but if my hon. friend from Weyburn (Mr. Young) will for a moment lay off fruits and vegetables and devote himself to ascertaining just how much it costs to dredge channels one summer and then redredge them next spring he will realize what a profitable avocation dredging has become. It is really one of the most highly paid callings that I know of, the pearl diver has nothing on dredging now. In days gone by the pearl divers used to bring up very valuable pearls from the sea bottom, but their gains are as nothing compared with the profits of modern dredging in Canada. There is my friend from Prince Edward Island (Mr. Sinclair)—if he will look into it a little now that New Zealand

butter has been taken care of to his satisfaction, he will find that dredging is really a most profitable enterprise. I suggest to the Prime Minister that before he turns over dredging entirely to the marine department he study the matter from the economic standpoint, especially in view of the experiences in connection with the new harbour in Hudson bay. There is a dredge up there on top of a wharf that they are finding it difficult to use, as the hon. minister told us last year.

Mr. DUNNING: Not at Churchill.

Mr. BENNETT: Nelson?

Mr. DUNNING: The dredge was to be moved to Churchill.

An hon. MEMBER: They are waiting for a storm to take it off.

Mr. BENNETT: The storm will come as soon as the elections come. The dredging there is in control of the railway department. The government ordered two big dredges from Vickers'; they were built specially for the purpose. They were turned over to the Department of Railways and Canals. That department certainly has the necessary technical knowledge to deal with the situation, that is, the utilization of these dredges to the best advantage for the purposes for which they are intended. Now it is proposed to turn them over to the marine department, but that department has not the requisite technical staff. I am not talking of political dredging, but of harbour dredging. I see the hon. member for Rimouski (Sir Eugene Fiset) smiles.

Sir EUGENE FISET: It is all right for Rimouski.

Mr. BENNETT: There is no doubt about that. The only trouble is there is not enough of it there. I think the matter should be very carefully considered before final action is taken. Dredging at a harbour like Churchill must always be more or less under the Department of Railways and Canals because the streams flowing into bays of that type will bring down silt all the time, and the department will have to have dredges there in any event.

Mr. DUNNING: No. The character of the bottom of the harbour does not indicate that.

Mr. BENNETT: I am talking of the silt that rapidly flowing streams carry out each spring. In my youth I was familiar with the Miramichi river and I know what used to happen there.

[Mr. Bennett.]

Mr. DUNNING: It does not happen where the river runs over rock as in this case.

Mr. BENNETT: The river usually brings down the silt from the banks higher up.

Mr. DUNNING: That happily is not the case at Churchill. To reinforce my hon. friend's point, I may say there is, however, a difficulty of a different character in all those shallow streams running over rocks, in that the ice tends to lift a certain number of boulders, and as the ice comes down in the spring it deposits those boulders in the harbour. To that extent my hon. friend is correct, even though there is no silt.

Mr. BENNETT: That is all I am saying to the Prime Minister about it. I feel it is a matter in which the public service will be best served in the manner that I have indicated.

Mr. MACKENZIE KING: Any reorganization will be effected with the greatest care. I believe the Marine department at the present time does all the dredging on the St. Lawrence river below Montreal. There are really three departments doing dredging. The thought is to get dredging as largely as possible, having regard to efficiency and economy, done by one department.

Mr. BENNETT: The shipyard at Sorel and the dredging below Montreal furnish fairly good employment for a number of people year in and year out. Governments may come and governments may go, but dredging goes on forever. As the Prime Minister said, the dredging of some of the harbours in Ontario on the lake shore is dealt with by the Public Works department; others, as the former minister will remember, are dealt with by the Department of Railways and Canals. Last summer I was at Fort William and Port Arthur, and the dredging going on there was on a fairly comprehensive scale; it was being done by the Public Works department. Then at another point the Department of Railways and Canals was doing the dredging.

Mr. DUNNING: The harbours all over Canada, as I understand it, are taken care of by the Public Works department at the present time.

Mr. BENNETT: That is what I understand.

Mr. DUNNING: The one exception to that is so far as Port Colborne can be considered a harbour because it is the exit of the Welland canal, and is part of the Welland canal—

Mr. BENNETT: That is what I had in mind.

Mr. DUNNING: —the dredging there, and indeed of all our canals, is done by the Department of Railways and Canals. The harbours on the St. Lawrence below Montreal are in the main taken care of the Public Works department, although the main channel is dredged by the Marine department. Churchill, of course, as my hon. friend has indicated, is unique and had to be dealt with according to the circumstances which prevailed there.

Mr. BENNETT: That is construction.

Mr. DUNNING: Yes.

Section agreed to.

Sections 2 to 9 inclusive agreed to.

Mr. BENNETT: I do not suppose the Prime Minister would care to give us the name of the new minister, or what his recommendation to His Excellency the Governor General will be in connection with the new office. I notice the absence of my hon. friend from Antigonish-Guysborough (Mr. Duff) and I do not think this matter should be disposed of until the admiral of the fleet has had the opportunity of expressing his views.

Mr. MACKENZIE KING: The appointment will be made in due course.

Bill reported, read the third time and passed.

DEPARTMENT OF FISHERIES

PROVISION FOR SEPARATE DEPARTMENT PRESIDED OVER BY A MINISTER

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the second reading of Bill No. 127, respecting the Department of Fisheries.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

Section 1 agreed to.

On section 2—definitions.

Mr. BENNETT: With respect to this matter I believe the Prime Minister stated his intentions the other day. I thought however that it might be possible to have brought into this department one of the other less important departments so that there would be no necessity for increasing the number of ministers. As it stands at the present time the Minister of Fisheries will not have very much to do.

Mr. MACKENZIE KING: My hon. friend would be surprised at the extent of the activities which will be under the direction of the Minister of Fisheries. Let me read some of the acts for the administration of which the minister will be responsible:

Biological Board Act.
The Customs and Fisheries Protection Act.
The Fish Inspection Act.
The Fisheries Act.
The Deep Sea Fisheries Act.
The Northern Pacific Halibut Fishery Protection Act.
The Meat and Canned Foods Act.

These are matters of considerable importance. As I explained the other day, our fisheries in value comprise at present the second largest part of our natural resources. The hope is that this all-important resource and the industry to which it gives rise will be developed to a much greater degree than has been the case in the past. If the minister devotes his time and attention to that end he will find plenty to do.

Mr. POULIOT: After the departments are separated will the fisheries of Quebec return to the jurisdiction of the federal government?

Mr. MACKENZIE KING: It will not in any particular alter the present situation.

Mr. ROSS (Kingston): Is the Meat and Canned Foods Act not under the control and jurisdiction of the Department of National Health?

Mr. MACKENZIE KING: There are certain sections which relate to the canning of fish and shell fish. Those sections come under the attention of the Department of Fisheries.

Mr. HOCKEN: Will this act include an entirely new set of officials for the new department?

Mr. MACKENZIE KING: No; there is a fisheries branch and a marine branch of the department at the present time. The fisheries branch is under the control of a separate deputy head, and the officials will be transferred to the new department.

Section agreed to.

On section 3—Constitution of department.

Mr. BENNETT: A question has been raised by an hon. member as to the relationship existing between the province and the present department. The Prime Minister will recollect that in the provinces of British Columbia and Ontario certain arrangements have been made in regard to fisheries. In those provinces, while the administration properly belongs to the provinces, the Dominion has been doing the work; in one or two cases I believe the reverse is the case. The

matter was brought to my attention last year. No doubt the effect of this bill will be to place the whole jurisdiction belonging to the federal authorities under the control of the new department.

Mr. MACKENZIE KING: Yes, that is right.

Section agreed to.

Sections 4 to 8 inclusive agreed to.

On the title.

Mr. STEVENS: The minister will no doubt recall that representations have been made by Pacific coast fishing interests in regard to proposed changes in the Biological board and in the extent of its administration.

Mr. CARDIN: There is on the order paper a resolution for the appointment on the Biological board of two additional representatives of the industry, one to represent the province of British Columbia and the other to represent the maritime provinces. At present we have only two representatives of the industry on the Biological board, one from each coast, and it has been recommended by the board that the number be increased to four.

Mr. STEVENS: The activities of the board will not be restricted.

Mr. CARDIN: No, not at all.

Mr. BENNETT: Has the minister considered the observations made last year by the hon. member for Vancouver North (Mr. McRae) in connection with the activities of the Biological board?

Mr. MACKENZIE KING: Yes.

Mr. BENNETT: Have any steps been taken?

Mr. CARDIN: Not yet.

Mr. BENNETT: There is another matter in connection with the Department of Fisheries to which I would direct the attention of the Prime Minister. There is at the present time a little paper issued by that department. Some time ago there was a discussion as to the appointment of an editor; that discussion is no doubt within the memory of those members who are always anxious to dissociate themselves from political patronage. So great is the demand for space in the journal that they print on one side only of the paper. Some of you will no doubt say that such procedure will be beneficial to the paper industry; you are probably saying that at the present time. It is printed on a glazed paper, magazine type, and the eight pages contain only four pages of printed matter. To my mind this is a good illustration of the great love of economy illustrated the other day by the hon. gentleman. If there is nothing more to engage the attention of this high paid publicist than to have printing on only one side of the paper, why have the minister at all? Between publicists, the Biological board, the new Minister of Fisheries and all these statutes with which he is going to deal, it might be important to ascertain why he is able to fill only one side of the paper of this eight page journal. I know the Prime Minister is very busy, and I doubt if he has time to know of all these things, much less read them, but all the departments now are issuing house organs indicating their importance in the world to which they belong. The Minister of Finance, being modest, confines himself to the Canada Gazette, and once a month or so he manages to have his statements appear there. Then the Minister of Trade and Commerce has numerous publications; you see his name in almost every newspaper the moment you pick it up. His publications deal with everything concerning the welfare of the people almost from the cradle to the grave. Then you get down to the Postmaster General. There is nothing you wish to do about which you cannot consult him, from the carriage of eggs through the mails to the delivery of great departmental store calendars, to say nothing of cheques. Perhaps the estimates would be the proper place to discuss this question, but a word or two now will not be amiss. We also have the organ of the Department of National Revenue, which has become a work of art. Engraved upon the front of it we have the Connaught building, and ever and anon we find the photograph of some well known gentleman who has served this country with great merit and whose memory is thus perpetuated. I fear we will use it for ex-members of parliament after the next election.

Mr. POULIOT: And my hon. friend is putting that on Hansard, which is another kind of advertisement.

Mr. BENNETT: Quite so, but it is not so widely read.

Mr. DUPUIS: I would suggest that the distinguished leader of the opposition be allowed to use these blank pages as a symbol of his answer to the budget, which will be given to-morrow.

Mr. BENNETT: That is a very kind suggestion and I would ask the minister to agree to it, because I am satisfied that probably what would be inside the paper would be much more widely read than what is on the outside.

Title agreed to.

Bill reported, read the third time and passed.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

SALARIES ACT AMENDMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the second reading of Bill No. 128, to amend the Salaries Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Salaries of Minister of Marine and Minister of Fisheries.

Mr. MACKENZIE KING: The purpose of this bill is to bring the Salaries Act into conformity with Bill No. 126, an act respecting the Department of Marine, and Bill No. 127, an act respecting the Department of Fisheries, both of which were passed by this house this afternoon.

Mr. ADSHEAD: Is this bill to provide for a salary for the new Minister of Fisheries?

Mr. MACKENZIE KING: This bill makes provision for the salaries of both ministers and abolishes the salary at present being paid the Minister of Marine and Fisheries.

Section agreed to.

Bill reported, read the third time and passed.

SUPPLY—PEACE RIVER RAILWAY OUTLET

AMENDMENT TO MOTION OF MINISTER OF FINANCE FOR COMMITTEE

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee of supply.

Mr. D. M. KENNEDY (Peace River): Mr. Speaker, I rise at this time to discuss a topic which I have discussed at various times in the past, that a railway outlet to the Pacific coast should be provided from the Peace River country.

I do not think there is universal agreement as to the state of prosperity of Canada as a nation, but I believe it is generally agreed that there is at least an easing off in employment as compared with a year ago. One of the major contributions in the past to the prosperity of Canada has been the construction of railways and other similar undertakings. During the past four or five years large expenditures have been made in the construction of the Hudson Bay railway and the Welland canal. Both these undertakings are nearing completion and I believe it necessary that similar large scale developments should be carried on in order to provide for at least an equal number of workmen to that engaged upon these two large undertakings.

I desire at this time to emphasize the advantage to Canada of the development of new districts, such as the Peace River country. There is no question but that during the period of the rapid development and settlement of the three western provinces there was a very rapid growth in industries in eastern Canada. It is some time since it was first realized in Canada that the rapid settlement of the west had a direct relation to the prosperity of the industries of the east. I have in my mind the report of the royal commission on the transfer of the natural resources of Manitoba, and the following is to be found at page 35:

> Now, dealing first with free homesteads, it must be remembered that a rapid increase of population throws upon a provincial government a heavy burden of expenditure for education, road-building, the administration of justice, etc. It is wrong, we think, to assume, as we have been asked to assume, that, if the public lands of Manitoba had been handed over to the administration of the provincial government, the government would have adopted a free homestead policy similar to that of the Dominion. On the contrary, we find all along, from what was said by exponents of the Dominion policy in 1870 and down to the creation of Alberta and Saskatchewan in 1905, that the assumption entertained was that Manitoba, and later the new provinces, if given the control of their lands, would use them, not for free homesteads, but for the purpose of revenue. It was feared from the very beginning that Manitoba, if allowed the control of its lands, would adopt a policy of settlement by land sales, which would necessarily prove to be slow, and would thus defeat the desire of the Dominion to bring about rapid settlement for the general benefit of Canada.

Before private members' day was taken away, I had on the order paper a motion in connection with this question of the Peace River outlet. I stated in that motion that I believed it was a matter of national necessity. I believe it is so because of the argu-

ment contained in the paragraph I have read from the report of the royal commission on the transfer of the natural resources of Manitoba. I believe in the general interests of the whole Dominon we require a rapid, reasonable and sound development of the Peace River country.

Not so very long ago we were discussing agriculture in the west generally, and I think it was the hon. member for Moose Jaw (Mr. Ross) who referred to the fact that one of the causes of unemployment was the coming of the combine, and other large-scale machinery in the farms of western Canada. We all know that the two difficult, slow operations in western farming are ploughing and taking care of the harvest. The small tractor has apparently solved to a large extent the ploughing problem. The coming of the combine has solved the harvesting problem. There has, however, been a tremendous displacement of labour on the farms of the older settled areas of the three western provinces. That is one reason why, without such a large immigration into Canada from abroad during the last few years, we have had a large new settlement in the Peace River country. In 1928 and 1929 more than 5,000 new homesteads were taken up in the Grande Prairie and Peace river districts. The homesteads taken up represented an area of 1,760,000 acres and if certain purchases of Hudson's Bay land be added, because some settlers who came in bought land from the Hudson's Bay Company, the area taken up is still larger. The settlers who came in are not the ordinary "suitcase" homesteaders. There is a steady stream of settlers' effects, such as horses, farm tractors and general farm machinery, moving back from the railway stations to points convenient to the new homestead areas. Perhaps more important than the fact that the settlers have equipment is the fact that a large percentage of them have had experience in the very type of farming they are going to undertake in the new settlements of the Peace River country. Undoubtedly the new homesteads taken up in the Peace River country during the last two years have made a tremendous difference in Alberta, Saskatchewan and even Manitoba as well as to some extent British Columbia, in relieving what would otherwise have been a much more acute unemployment problem than we had during last winter.

I believe the outlet should be built as soon as humanly possible. It was two years ago I used the word "forthwith" in my motion, and the then Minister of Railways objected very strenuously to the word "forthwith" because he said it meant "right away quick." Surely we cannot be in too great a hurry to suit even the Minister of Finance (Mr. Dunning) and the present Minister of Railways (Mr. Crerar), to use the words that were used by the Prime Minister (Mr. Mackenzie King) in the city of Edmonton in 1924 when he said, regarding the Peace River outlet and the Hudson Bay Railway, that they were an absolute necessity and would be built as soon as humanly possible. But in the light of the treatment that the problem has received at the hands of the government, I am not using the words in quite the sense in which they were used in 1924 and I hope that "as soon as humanly possible" means at least that the government, if it undertakes to accept my motion, as I think it ought to do, will proceed with the construction of the Peace River outlet as rapidly and vigorously as it has done with the construction of the Hudson Bay railway during the last four or five years. That would have been a generally satisfactory application, and I believe it might be even yet, of the words "as soon as humanly possible." I am in just as great a hurry today as I was two years ago, but I believe the matter can be reasonably dealt with by the government and it will be thoroughly justified in going ahead with the Peace River outlet.

It may be asked why I come to parliament with a motion of this kind in view of the purchase of the Edmonton and Dunvegan Railway by the two great railways. I think I ought to read this statement of the Prime Minister again, because it is so definite. I have quoted it a number of times. I even wrote the Prime Minister, giving him a copy of the statement, and on no occasion did he undertake to say that it was not in accordance with what he has said in Edmonton in 1924. This is taken from the Edmonton Bulletin of November 11, 1924:

> Premier promises outlet to Pacific
> Just as soon as humanly possible.
>
> Railway will be built, declares Prime Minister, at mass meeting here.
>
> Government has but minority in Commons; says times are now difficult and everybody must have a little patience, but Liberal party is not falling down on any of its pledges.
>
> "It is the policy of the government of which I have the honour to be the head to introduce a vigorous policy of immigration which will people the vast areas of undeveloped country in the great west," declared the Right Hon.

W. L. Mackenzie King, Premier of Canada, when addressing mass meeting of citizens in the First Presbyterian church last night.

There is to the north of this city a great tract of land that is crying out for development. The Peace River country is amongst the richest in Canada, but before the proper development of that country can take place an outlet to the Pacific coast is an absolute necessity. I pledge myself that as soon as it is humanly possible the great Peace River country will be given that measure of railway relief that will bring to the pioneers of that country the outlet they have been so long denied and will open up the country for prospective settlers. I must, however, sound the same note to you here as I did to the citizens of Saskatoon. The times that we are passing through are very difficult, and I would ask you to have a little patience and in as short a time as possible a railway outlet will be provided for Peace river and northern Alberta districts that will open up an era of prosperity for that country which will not be equalled by any other province in Canada.

In those words the Prime Minister of Canada, the leader of the House of Commons, in 1924, accepted the responsibility that he would see that an outlet to the Peace River country to assist the pioneers of that district would be built as soon as possible.

The development of the Peace River country has been interrupted and discouraged over a period of years by its great distance from centres of population, and consequent higher cost of implements of production and necessaries of life, high mileage rates on freight moving in and out of the country, long hauls to and from the railway and high rates and great mileage to contend with in the sale of its products. Grain rates in 1919 were sixty-three cents to Fort William or Port Arthur. The Peace River country, however, has gone steadily ahead. The population increased from 2,000 in 1911 to 20,000 in 1926, and it is estimated the population has doubled within the last three years. The crop production has grown from about 1,000,000 bushels in 1920 to 16,000,000 bushels in 1929. I have under my hand the figures for the years 1925-30, as follows:

Peace River District.
Crop district No. 8 less census district No. 12.

	Bushels of grain
1925	2,678,127
1926	4,945,955
1927	11,805,360
1928	8,531,200
1929	16,165,996

So in 5 years there has been an increase of 100 per cent per annum with the exception of the year 1928, when there was a decrease from 11,805,360 in 1927 to 8,531,200 in 1928.

The tonnage figures so far as the Edmonton and Dunvegan railway is concerned are as follows:

	Tons of grain
1923	60,000
1924	96,000
1925	89,000
1926, for the 11 months up to the time when the Alberta government took over the railway	91,000
1927	215,281
1928	243,000
1929	119,974
1930 (estimated)	300,000

The total tonnage grew from 222,427 tons in 1923 to 434,926 tons in 1928, slipping back to about 200,000 tons in 1929, and I estimate that this year the total tonnage will be around 600,000.

The production of the Peace River country has been influenced, of course, by the weather, but I would like to point out that the increased crop in the Peace River district has been due chiefly to the vigorous efforts of the settlers themselves, and in support of that argument I wish to give the following figures of the acreage under cultivation:

	Acreage under cultivation
1925	156,182
1926	200,172
1927	254,463
1928	353,435
1929	628,998

The year ahead of us looks very favourable. We had a heavy rain storm and a snow storm last harvest, and last fall the ground that we were ploughing was in about the best condition for ploughing that I have ever seen land anywhere. We had a severe winter, much frost and three feet of snow, and when the snow went away, just about two weeks ago, we had another fall of a foot of snow, so that the moisture conditions are about as ideal as they have ever been in any portion of the west. The indications are that with the larger acreage and with the promise at least of sufficient moisture we shall produce this year one of the best crops we have had in the history of the country; but I realize, of course, that a whole lot may happen to a crop between now and harvest time.

I want to refer to some of the discussions that we had in this house during the last two or three years on the Peace River country. I do so now because in listening to the debates across the floor of the house I have not cared to interrupt very often, and

further, owing to the acoustic properties of this chamber it is almost impossible to hear exactly what is being said on the other side of the house unless one is almost directly opposite the speaker. That is my justification for making a reply now to some of the statements that were made in this house last year and the year before; not that I am accusing members of bad faith, but because I know that there is some misunderstanding regarding the conditions in the Peace River country.

On February 14, 1927, at page 258 of Hansard, I find the following:

Mr. Dunning: I do not know to what extent the newspapers took advantage of the opportunity to print the conclusions of this report. The report is available, of course, in the same manner as any other document. Personally I would favour the printing of this report for distribution in the area affected, for the reason that the Peace river people would not be any better off with a western outlet unless it saved them money in freight rates.

Mr. Brown: Would the minister deal with that question just a little more in detail, comparing the rates they pay now with what they would pay over the proposed new route? I understand that there was some arrangement made whereby they got some benefit.

Mr. Dunning: They have now the prairie standard of rates.

Mr. Brown: If my understanding is correct, there was an arrangement whereby the settlers, instead of paying on a mileage basis, were given some reduction in rates as compared with the rates that would be necessary over the longer haul. I had the impression that there was some such arrangement as that.

Mr. Dunning: Yes, there is. I have not the details of it before me, but I shall be glad to get them.

Mr. Forke: I think they are allowed a rate that would be about the same as if they had the shorter haul; that is to say, as if it had been reduced four hundred miles. They had about the same rate via Edmonton as they would have over the shorter haul.

Mr. Dunning: That is right, but when my hon. friend from Lisgar asks me just how many cents a hundred the difference was, I regret that I have not that information at hand, but the hon. member for Peace River well knows the nature of the reduction, and after all, is not the question one of principle?

I want to say that there is nothing in that statement. If the settlers in the Peace River had rates that were based on the shorter mileage to the Pacific coast, they would be practically on the same basis as Edmonton. The rates from Edmonton to the Pacific coast are approximately 20 cents per hundred. The rates from the Peace River vary from 24 cents up to 29 cents per hundred pounds. Let me give the rates. This is a statement made by Mr. Campbell, the traffic expert of the Board of Railway Commissioners, dated March 31, 1930; and I may say that these rates have been in existence for some time:

Hythe, Alta	28
Beaverlodge	29
Wembley	28
Clairmont	27
Sexsmith	27
Fairview	26
Bluesky	26
Whitelaw	26
Brownvale	26
Berwyn	26
Grimshaw	26
Peace River	26
Falher	26
High Prairie	26

Here is another statement that was made by the then Minister of Railways, the present Minister of Finance, regarding rates:

Confirming my remarks now entirely to the outlet, the cut-off, so far as the people now in the Peace River country are concerned, may I, with all respect, point out to the house that they are not at such a very great disadvantage in shipping their products to the Pacific coast as compared with the people of the central west generally. With regard to freight rates alone, may I point out that the farthest distance points on the existing Edmonton, Dunvegan and Central Canada railways have a freight rate to Vancouver exactly similar to the freight rate paid from points in Central and western Saskatchewan in the neighbourhood of Saskatoon. In other words, it is just as cheap for the people of the Peace river country to get their grain to the Pacific coast over their existing lines as it is for the people in central Saskatchewan to ship their grain to the Pacific coast. That is the degree of the disadvantage and the discrimination under which they labour.

That is not a fair statement, because the people of central Saskatchewan do not ship in very large quantities to the Pacific coast. They ship east, and the proper comparison is a comparison between rates from the Peace river to the Pacific coast and rates from central Saskatchewan to Fort William and Port Arthur. Here we have the statement of rates on grain, carloads, in cents per hundred pounds from various points to Fort William and Port Arthur:

	Cents
Saskatoon	22
Prince Rupert	24

The lowest rate I read to Prince Rupert is 26 cents.

	Cents
Regina	20
Wilkie	23
Swift Current	22
Wainwright	25
Medicine Hat	24

When we get into Alberta we have approximately the same rates to Fort William and Port Arthur as they have to the west; but

only in the case of Broadview in Saskatchewan does there seem to be a rate to Fort William and Port Arthur that is at all comparable to the rates from the Peace River. All other points run around 22 and 23 cents.

Three years ago when the report of the committee came before the house I remember moving an amendment asking for a survey of the Peace pass. The railway engineers representing the Canadian Pacific and the Canadian National Railways made a report which was examined by the railway committee in 1927. While the report on first examination looked to be fairly conclusive in some respects, on further examination we found a lot of it was pure guess work. We discovered that the engineers had accurate information regarding the line from Grande Prairie south to Obed, but so far as the Monkman pass was concerned the report was guess work. Apparently they had no definite knowledge regarding the Pine pass and very little regarding the Peace, because the Canadian National Railways' engineer, who examined the Peace pass through the years 1927 and 1928, utterly washed his hands of what had been said by the Canadian Pacific railway engineer before the railway committee in 1927. At page 2409 of Hansard of April 13, 1927, the Minister of Railways is reported as follows:

I intimated while the hon. member was speaking that the government was prepared to accede to that request if the amendment now before the house were withdrawn; and, indeed, whether it is withdrawn or not—my hon. friend can press it to a vote if he desires—the government does intend in any event to secure further detailed engineering information in order to be able to say to the people of the Peace River country and to the people of British Columbia, who are vitally affected, "When a western outlet is built, this in our opinion is the pass through which that line of railway should be constructed." We are prepared to do that in any case.

I thought that was a promise and I said so in 1928. I then asked what had been done to give effect to or implement that promise, and the minister's reply will be found at page 4000 of Hansard of 1928 as follows:

I trust my hon. friend will not regard me as discourteous if I reply somewhat briefly. At this stage of the session I do not think the house would desire to have a very lengthy discussion on the various possible routes from the Peace River country to the Pacific coast.

As the hon. member has indicated, I made a statement last session. My hon. friend says I made a promise. I wish he had not said that, because I try to avoid making promises. I made the statement a year ago of my intention to do something which was then within my power to arrange to have done. It did not constitute a promise to do something in the future.

If it did not constitute a promise to do something in the future, I would say that it did not mean anything. Let me quote the definition of the word "promise" as given by Blackie's Concise English Dictionary:

A declaration, written or verbal, made by one person to another, which binds the person who makes it to do or forbear a certain act specified: a declaration that something will be done or given for the benefit of another; ground or basis of expectation.

Surely the minister's statement that the government would go on regardless of what happened to the motion and survey these passes and get detailed information to be able to say to the people of Alberta and British Columbia, "This is the pass through which the railway should be built," cannot be regarded as anything else than a definite, specific promise to do so. Let me quote further from the minister's statement on that occasion:

I cannot say that I am personally satisfied that sufficient investigation has been made, and I intend to endeavour to get the Canadian National management to see the matter in that light and make a further and more detailed investigation before any definite and decisive recommendation is made as to the route. I can give my hon. friend that undertaking, but at the present time I am not in position to say that such and such work will be done this year on the height of land between Alberta and British Columbia.

That was in 1928. Now, just for the purpose of comparison, I should like to remind the house that we have been passing fairly large votes for a number of years for the Hudson Bay railway. A little while ago I said that I should like to see the same vigorous action taken with regard to the Peace river outlet that has been taken with regard to the Hudson Bay railway. I think such action would be justified. Within the last fifteen minutes I have given figures showing that the freight carried on the Edmonton and Dunvegan railway has run up to something like five or six hundred thousand tons. About two weeks ago I asked a question of the Minister of Railways concerning the tonnage originating on the Hudson Bay railway, on which we have spent over $40,000,000 altogether. This railway was started in 1911, and the total tonnage originating on it in 1928 was less than 3,000 tons, and no more in 1929, and a lot of this tonnage represented forest products, doubtless ties for railway construction purposes. The particulars will be found in Hansard of a recent date. There are four possible routes out of the Peace river country What was done? This house voted in 1924 and 1925 about $125,000 for the purpose of

surveying these routes. Then the Canadian National Railway and the Canadian Pacific Railway engineers made an investigation. Their report was largely guess work. A statement made by the Canadian Pacific Railway engineer, which the Minister of the Interior (Mr. Stewart) seemed to think demonstrated that the Peace river route was the best, has since been almost repudiated by Mr. Hill of the Canadian National Railways.

Mr. STEWART (Edmonton): By whom did my hon. friend say it was repudiated?

Mr. KENNEDY: By Mr. Hill of the Canadian National Railways in his report of 1927. He said that he had grave doubts as to the statements contained in Mr. James' report. I cannot give the exact words, but he said that since his investigation he had much graver doubts regarding the feasibility of that route than he had at that time. But when we ran into difficulties regarding navigation in the Hudson bay straits, what happened? Why, the parliament of Canada, as shown by this return, passed the vote introduced by the government of over a million dollars in order to get some of those difficulties straightened out. Now, I submit that if it was good policy for this country to spend $40,000,000 on the Hudson Bay railway, and if it was good policy to vote over $1,000,000 to survey the straits, and to ascertain whether Fort Churchill or Port Nelson was the better harbour, it would be equally good policy to give this project adequate financial support and I think in the light of these facts that our dealings with the Peace River railway problem have been very trifling when the importance of the Peace river country to the whole of the Dominion is taken into consideration. In the debate of 1927 the Hon. Charles Stewart is reported as follows at page 270 of Hansard, volume 1, 1926-27.

I welcome the suggestion that a thorough investigation of the whole matter should be made before we plunge into an expenditure of $30,000,000 or $40,000,000, for it would mean that much; although, let me add, the district is worth that expenditure. When the railway is built there will be a period of years during which it will be neither more or less than a colonization line, and will not pay interest on the bonded indebtedness. My hon. friend has pointed to the two existing railways. The Edmonton-Dunvegan, I would remind the house, is a heavy burden on the people of Alberta who have to carry the bonded indebtedness of this line, because it has done little so far besides paying operating and maintenance expenses. The Canadian Pacific, when the new lease was suggested, offered fifty or sixty thousand dollars towards the carrying charges of the bonded indebtedness, and inasmuch as they operated the line for five years they should have been in a favourable position to estimate what the road would be worth.

[Mr. Kennedy.]

In the same debate, we find the following reported at page 2406 of Hansard, volume 2, 1926-27:

Mr. Dunning: My impression, after listening to the premiers of those two provinces—

Alberta and British Columbia—

—was that what they wanted was not so much to give assistance to the Dominion, as it was to get the Dominion to take off their hands two white elephants which they possess. That was the view held by members of the committee.

Mr. Fraser: So far as we are concerned, we did not consider the Pacific Great Eastern a white elephant. It would not be a white elephant at all, if it were properly proceeded with. It is because it is hung up in the air that it is a white elephant, as the Liberal government said at the time.

Mr. Dunning: I am sorry, Mr. Speaker, if the use of the term "white elephant" is offensive. I intended merely to convey the idea that by the testimony of their respective premiers the provinces now have railways on their hands which are involving them every year not only in very heavy operating deficits, but that also they do not earn a cent toward their capital charges.

Mr. Bennett: A deficit of a million a year in Alberta.

Mr. Dunning: A deficit of a million a year in Alberta, my hon. friend from West Calgary says. I believe that was the figure submitted by the Premier of Alberta. I merely used the term "white elephant" as illustrating that condition.

I would like to remind the house that that is in the year 1927. I call this part of my speech, with apologies to the Minister of Railways of 1927 (Mr. Dunning) "the growth of the white elephant." In November, 1926, the Alberta government took over the operation of the Edmonton, Dunvegan and British Columbia and the Central Canada railways. So far as freight was concerned there was an agreement with the Canadian National Railways. The Canadian Pacific Railway had leased the road; the Canadian National Railway did not have a lease of the Edmonton, Dunvegan and British Columbia railway, but there was an arrangement for an exchange of freight. The first year of provincial operation of these railways under the management of the deputy minister, Mr. Callaghan, resulted in an operating surplus of over $300,000, and the year ending November, 1928, resulted in an operating surplus of the Alberta railways of over $800,000. A large amount of that was contributed by the Edmonton-Dunvegan road. This sum was just about sufficient to pay the interest on the replacement value of the roads. It was an improvement of about $1,000,000 in two years. I have not the details for the year 1929 but I saw an item in the Edmonton Journal to

the effect that for the six months ending June 30, 1929, the Alberta railways had the best six months on record. I have the article in my hand but I shall not quote it at this time.

So far, what has the Dominion government done? In the year 1924 the sum of $75,000 was voted; in 1925 there was a further sum of $50,000. The Canadian National Railways at the request of the Minister of Railways in the years 1927 and 1928 sent out Mr. Hill. As a result we have the report of the five engineers connected with the Canadian National Railways and the Canadian Pacific Railway. The government has contributed about $125,000 in cash. No doubt the minister will think that the purchase of the fifty per cent interest in the Alberta railways at a cost of $13,000,000 and the fifty per cent cost of the 85 miles of construction of branch lines this year should be taken into consideration, but as far as the Edmonton-Dunvegan and the Central Canada are concerned it amounts to nothing more than taking over a going concern. In other words as far as railways are concerned the province of Alberta has undertaken the development. The pioneers who went into the country undertook the development of the farm land; the Dominion government with the Canadian Pacific and the Canadian National Railways came in after it had all been put on a paying basis, and when the country had proven that it could pay, and they took over a going concern. In other words I do not think we can say that in connection with the Peace River country the Dominion of Canada has taken over a burden.

I have heard statements made with regard to the various offers made by the Canadian Pacific and the Canadian National Railways. I am not going to take up very much time because some other members may wish to speak, but I would like to read the offers in 1925 of those two railways, and then I shall have something to say about the final offer. Following are the offers by the Canadian Pacific Railway Company for the Alberta railways in the month of June 1925:

(1) The Canadian Pacific Railway is prepared to operate the Edmonton-Dunvegan and British Columbia and Central Canada for five or ten years with a preference for ten years.

(2) The Canadian Pacific Railway will undertake to put into effect the prairie rates on passenger and freight to points north of Edmonton on the Edmonton-Dunvegan and British Columbia and Central Canada Railway and to treat these railways as part of the Canadian Pacific Railway to give the benefit of one line haul to Peace River.

(3) Give express and telegraph rates similar to those existing in Alberta and Saskatchewan and will pay in rental $50,000 per annum.

(4) Alberta government to pay interest, capital, expenditure on the railways and the cost of additional mileage.

(5) In case of a competing line built through any of the passes by the Dominion government or the Canadian National Railways, either party shall have the right to terminate the agreement by giving six months notice or to require a conference.

The Canadian National Railways were even more canny than the Canadian Pacific Railway when it came to offering for the Alberta railways in 1925.

(1) The Alberta government will lease the Edmonton-Dunvegan and British Columbia and the Central Canada railways for one dollar a year for twenty-five years.

This applies from the month of July, 1925.

(2) The Alberta government will pay all existing fixed charges.

(3) The Canadian National Railways will make, at their own expense, any future capital betterments to the property, but if the railways are taken over by another railway on the expiration of the lease, the Canadian National Railways will receive compensation for the capital and interest.

(4) The Canadian National Railways will pay in addition to one dollar half the operating profits (if any) after the new fixed charges which they may have created, have been deducted.

(5) The Canadian National Railways will put in "main line rates" (freight).

(6) Western outlet. This question was to be left to the future, but I might say that the Canadian National Railways would probably feel disposed to undertake such construction, providing the necessary funds can be found, when the export grain from the Peace River district reaches 10,000,000 bushels per annum on an average of three successive years and the question of land grants can be considered at that time.

I might say that most people have understood that Sir Henry Thornton promised to build a western outlet when we had 10,000,000 bushels of export grain. Possibly that was a fair promise, but the statement was hedged about with various provisos. I never read that paragraph without thinking of that paragraph in J. M. Barrie's Little Minister, where Dunwoodie refused, under cross examination, by a law officer of the crown, to answer any questions. When he was asked whether he was in town the previous night he said "I micht hae been", and when he was asked why he would not make a definite statement he said, "Because I am a canny man." I often think that by this statement Sir Henry Thornton proved himself as canny as any Dunwoodie ever imagined by J. M. Barrie.

There is another matter to which I should like to refer with regard to the Hudson Bay railway. The statement has been made in this house time and again that the Hudson

Bay railway did not cost the people of Canada anything because the government sold preemption lands in the western provinces and spent the money on the Hudson Bay railway. It is true this money was not set aside in a trust account, but an equivalent amount of money was used. I find in Hansard of May 4, 1925, that in reply to a question by the hon. member for Dauphin (Mr. Ward) it was stated that 2,573,600 acres were sold in the province of Alberta at $3 an acre, which money was taken to build the Hudson Bay railway. So I think, if it is fair for the Dominion government to do that, they should consider definitely going ahead with the Peace River outlet.

Mr. CAMPBELL: That is not nearly so bad as what they did with Saskatchewan lands.

Mr. KENNEDY: The last offer for the Edmonton, Dunvegan and British Columbia railway was that made in June, 1928, by the Canadian Pacific Railway Company. Previously the Alberta government had offered the Alberta railways, including the Edmonton, Dunvegan and British Columbia and Canada Central railways, for something like $16,000,000. The Minister of Railways turned down that offer, but the great crop of 1927 came along; the Canadian Pacific directors went through the Peace River country and, upon their return to Edmonton, offered the Alberta government the price which that government had set upon those railway lines.

Complaint has been made that from 1925 to 1928 the Alberta government kept raising the price for these railways, but the reason is quite obvious. Anyone with a business that has been losing money and which has not been able to pay the cost of operation for a few years, and who, within say three years, gets it on a basis where it pays nearly all the fixed charges as well as the cost of operation, naturally would raise the price. That is the reason why the Canadian Pacific Railway Company offered $25,000,000, the price set by the government of Alberta, and no doubt that is the reason why the Canadian National Railways took a fifty per cent interest. For the life of me I cannot understand the wisdom of the policy of the government, when you consider the main line of the Canadian National Railways west from Edmonton and lack of local traffic. If it was a good proposition to take a fifty per cent interest in the northern Alberta railways and get half the traffic for the Canadian National railways, I do not see why it would not have been a good policy to take over the whole thing and get all the traffic. I never could see any justification for that policy from the standpoint of the Canadian National Railways or of the Dominion government. We all know that the Canadian National Railways want business more than anything else, and in my judgment by refusing to take over the northern Alberta railways they lost one of the best chances any railway ever had to get main line traffic. The responsibility for this action must rest on the government and the management of the Canadian National Railways.

Now I wish to come to the question of branch lines. Every time this matter has been debated here and in committee the Minister of Railways and the presidents of the two railway systems would always say, "We need Peace River branch lines, and after we get branch lines we will build an outlet when the traffic justifies it." There is something in that, but I should like to point out that three years ago we were from 150 to 200 miles behind with the branch line program and to-day we are at least 500 or 600 miles behind. I submit that the people who have left the older portions of Saskatchewan, Manitoba and Alberta and gone into the Peace River country on their own initiative, people who are not asking for any special help like those who are in the ranks of the unemployed to-day, have the right to expect the Dominion government to see that they will get railway facilities just as soon as it is humanly possible to do so.

Consider the Battle River district, where there has been a development much more rapid than anything we have seen in the Peace River district. That district has been settled during the last three years, and to-day there is a highway, only four feet narrower than the standard highway throughout the western provinces, running from the railway into the Battle River country. We have at least 2,000,000 acres of settled land fit for the plough in the Peace River country and not one-half of it is under the plough yet, without taking into consideration the 1,700,000 acres taken up during the last couple of years. I am quite satisfied that it is absolutely unjust, so far as the railways and the government are concerned, to say that the question of an outlet for that country will not be dealt with until the branch line situation has been remedied. It just means that the 20,000 pioneers who went into the Peace River country, who developed it and demonstrated to the railways and the Dominion of Canada that it was a real asset, are going to be asked to carry the burden of expensive freight rates as long as they live. We say that these people are entitled to and should have the shorter mileage

and lower rates which they would get through an outlet to the Pacific coast. If we were catching up with our branch line program; if we were getting to the point where fewer settlers were 80, 90, 100 and even 200 miles from the railway there might be some justification for that argument, but when we are getting further behind with our branch lines I submit that the argument is absolutely valueless and falls to the ground. It may be all right for the Canadian Pacific Railway and the Canadian National Railways; they are getting from 6 cents to 10 cents extra for hauling grain out of the Peace River country to Fort William and Port Arthur and to Vancouver and Prince Rupert. I submit, however, that it is not fair for the government to say to the pioneers, "We are going to ask you to carry that burden just so long as we are behind with our branch line program."

I think I have said enough on this question, Mr. Speaker. I have tried to show that we are going ahead rapidly with the development of the Peace River country. The Prime Minister made a promise in 1924, and he has fallen down on that promise. I think that opinion is general, and I do not see how he could expect the settlers to think otherwise. In spite of that, however, there is no disposition to sulk or sit down and do nothing. The development in the Peace River country has done a great deal to offset what otherwise would have been a much more serious unemployment trouble during the last few years. In that country there are 10,000,000 acres of land just as good as the 600,000 acres which produced 16,000,000 bushels of grain in 1929. In comparison with our policy in connection with the Hudson Bay railway and other railway problems, I submit, as the Prime Minister has said, that it is crying out for action, and I would like to see the government take definite steps to deal with the matter.

I beg to move, seconded by Mr. Spencer:

That all the words after "that" be struck out and the following substituted therefor:

"immediate steps be taken to implement the pledge of the Prime Minister given at Edmonton in November, 1924, with regard to the Peace River outlet."

Mr. L. J. LADNER (Vancouver South): Mr. Speaker, this question is one of vast importance to the province of British Columbia and the Peace River district, and for that reason I intend to occupy the time of the house for a few moments with some observations regarding this amendment. The last speaker (Mr. Kennedy) has referred to the promise made in 1924 by the Prime Minister. The Prime Minister visited the province of British Columbia in November, of 1929, and I would like to call to his attention the report of a speech he delivered which appears in the Daily Province under date of November 16, 1929. Out of two hours discussion and oratory which the leader of the government gave to some three thousand people in Vancouver, the newspapers featured the following article:

Peace River Outlet Endorsed as Policy by Prime Minister

Endorsement of the Peace River outlet to the Pacific, was indicated by Premier Mackenzie King to an audience of nearly 3,000 which taxed the capacity of the new auditorium on Friday night. For nearly two hours, he reviewed his eight years of administration.

"As a government we believe in the Pacific outlet for the Peace," said the Premier, "and we don't intend to allow the railways to dilly-dally in reaching their decision. If they do, then the authority of the state can be called on to make them reach one."

The Premier reiterated his assurance given at Edmonton that "the spearhead of immigration as far as his government's policy is concerned, will be the Peace river."

It is to be noted that some changes now are taking place with respect to the Department of Immigration. The report continues:

The Liberal government, the Premier added, has implemented its promises in completing the Hudson Bay railway, and everywhere on the coast he has heard "Peace River outlet to the Pacific."

"I ask you, is this government, which has dealt with these great transportation problems, brought about reduced freight rates, organized scattered national lines, constructed a great railway from central Canada to the Atlantic —cannot this government be trusted to find an outlet from the centre of the Dominion to the Pacific?"

Those are the words he uttered to three thousand people in the city of Vancouver. But he went farther than that. Knowing the susceptibility of the people of the west with regard to the promises of his government, and the knowledge of the shadow of a doubt which they sometimes cast upon his utterances just prior to an election, the Prime Minister forestalled that situation with these words:

"I am told that the people don't want any promises. Well, I won't make any promises —you know what trouble we had in the Senate with our branch line bills."

I ask the house to consider what was said in that pledge. Did he or did he not make a promise when he said, "As a government we believe in the Pacific outlet for the Peace, and we don't intend to allow the railways to dilly-dally in reaching their decision. If they do, then the authority of the state can be called upon to make them reach one"? Is that a commitment of government policy, or

is it not? Is that a principle to which the government is committed, and which the people may expect to be carried out, or is there an uncertainty in vague expressions which will enable the Prime Minister to escape? Towards the end he made an attempt at escaping when he said, "You know what trouble we had in the Senate with our branch lines bills."

This is a matter which should be beyond the pale of party politics. A vast area of some 74,000,000 acres is awaiting development and immigration, and now stands ready for the hand of constructive statesmanship. In glowing terms and with the fervour credited to great speakers, the Prime Minister in 1924 told the people of western Canada in the plain language of plain people: If you elect us to power, we will see to it that this railway is constructed. Six years have passed and the settlers are forced to go in of their own volition. The government's immigration policy is a farce, the spearhead of immigration pointing south, and the minister is to be prorogated, so to speak. Six years pass by, and another election approaches, so the right hon. gentleman appears upon the platform in Vancouver and expresses himself in a wholesome way by saying: If you entrust me once more with power, I will see to it that the railway systems will not dilly-dally; if they do, I will bring the authority of the state to bear upon the heads of those business men who have failed in their duty so far as transportation from the Peace River district is concerned.

The merits and desirability of an outlet from the Peace River district, and an aggressive policy to settle that district, are beyond argument. The facts have been placed frequently before the house, and the undertakings of the government are specific. Their obligations are well founded and well bounded. An undertaking was made six years ago which they have purposely and deliberately failed to carry out, and yet the Prime Minister went to Vancouver in November last and reiterated in more vigorous terms the same pledge and the same undertaking. I ask the Prime Minister: Will he this evening, in reply to this amendment which is simply a request that he fulfil the honour of his undertaking, pledge to the people of this country the immediate fulfilment of his promise with regard to the construction of the Peace River outlet?

Mr. J. C. BRADY (Skeena): Mr. Speaker, it is with a great deal of pleasure that I rise to support most cordially the amendment of the hon. member for Peace River (Mr. Kennedy) regarding an immediate outlet for this great inland empire. The fame of the Peace River country has gone out not merely to the whole of Canada but to the whole world, and its further development must and will contribute greatly to Canadian prosperity. I would like the house to realize the full significance of the words which I have thought out, because I would not at this moment endeavour to give a false impression regarding the greatness of the country for which we are advocating a direct outlet to the Pacific coast. An era of vast expansion is awaiting this great territory as soon as the proper transportation facilities are provided. This plea has been made continuously in this house since 1924, and I think it is but right and proper that the Prime Minister (Mr. Mackenzie King) and the members of the government should be faced squarely with the problem which confronts them. I want to be impartial and enable the Prime Minister to explain exactly why for six years the government has failed to listen to the views which have been presented to this house. It is up to the government at this important time when the problem has in a way been taken out of the government's hands and made the subject matter of public opinion, as I shall show in a few moments.

Let me give the house a few excerpts in regard to this important question, the Peace River outlet. I find that in 1924, before the parliament of Canada, the Prime Minister considered that this question was of paramount importance, To prove that, I will quote his words delivered in the city of Edmonton in the presence of the very people who were advocating what we have been advocating for the last six years. It is said that a man who possesses the gift of words and disguises his thoughts by sophistication, is not doing what an educated man should do, and I am going to give to the Prime Minister exactly what I believe he meant when he uttered these words in the city of Edmonton on the 12th October, 1924. He said:

> The future prosperity of this country is bound up in the development of its great natural resources, and, to develop these resources it is necessary to have a large increase in population. There is to the north of this city a great tract of land that is crying out for development. The Peace river country is amongst the richest in Canada, but before the proper development of that country can take place an outlet to the Pacific coast is an "absolute necessity." I pledge myself that as soon as it is humanly possible the great Peace river country will be given that measure of railway relief that will bring to the pioneers of that country the outlet they have been so long denied and will open up the country for prospective settlers.

Mr. STEVENS: Who said that?

Mr. BRADY: The Prime Minister of Canada uttered these significant words in 1924. For six long years the people of the Peace River country and the people of British Columbia, who depend upon those great natural resources have been waiting for the implementing of the words of, at that time, the greatest and most important man in Canada.

Let me go a little further and speak about some other ministers of that day. I refer to the present Minister of Finance (Mr. Dunning), at that time Minister of Railways. As reported on page 2212 of Hansard of 1927, the then Minister of Railways had this to say:

Mr. Dunning: Only a relatively limited number of the farmers are now a long distance from existing lines of transportation, and the problem is really one of providing a more economical way to the markets of the world.

Then he said that in order to assist in the development and settlement of the Peace River country and to encourage immigrants, the problem is one of providing a more economical outlet to the people already there and within a reasonable distance of the existing lines of railway.

What does the acting Minister of Immigration say? And I am glad to see the minister in his place, because I know he will stand up and say just what he said in 1927. Unfortunately, however, actions speak louder than words. I would have been delighted to see that before to-day he had urged the final solution of the great problem of the Peace River country:

Hon. Charles Stewart: I am a strong advocate of the outlet to the coast and I support the suggestion that there be a survey made with a view to having the route definitely settled, this year if possible.

Thus we find three important cabinet members of the government realizing the importance of solving the problem of this great inland empire. If I am to judge to-night of what they have done I must bring in a verdict of disapprobation of their lack of vision and understanding regarding not merely Peace River and British Columbia but Canada as a whole. What a wonderful chance was given to the present government and the Canadian National to solve this problem. The Canadian Pacific, understanding the potentialities of that great country, of its own accord took up the solution of this problem and bought from the Alberta government the railway lines, at what price? At the very price dictated by the Alberta government. What is the inference to be drawn from that? It means that the Canadian Pacific realized the importance of controlling the wonderful wealth of that great territory.

How far have we proceeded towards getting an outlet from the Peace River to the Pacific by the amalgamation of the two great transcontinental railways? I should like to know. I doubt very much whether the agreement entered into between these two great transcontinental railways is going to solve the problem wihch it was within the power of the present parliament of Canada to settle on its own initiative. What has happened since the agreement between these two great transcontinental railways was made? In September 1929, the Canadian chamber of commerce, representing not merely the whole of Canada, but also the British Empire, England, Scotland and Wales, paid a visit to the Peace River country because of the wonderful stories they had about its wealth and fertility. Who were the members of the Canadian chambers of commerce who went to the Peace River country in 1929? Whom did they represent and what was the result of their visit to that country? I will briefly mention who were the men and women who comprised the Empire chambers of commerce who visited the Peace River country. It was the largest, the most influential and most representative body of business men and women within the empire. Why did they go in there? Why did they choose in 1929 to spend a week, nay, ten days visiting the Peace River country? The answer is this. Already the fame of that country had gone abroad. What was the result of their visit? I am going to add to the words of the Prime Minister in 1924, of the Minister of Railways and Canals and of the Minister of Immigration and Colonization in 1927, the words of the president of the Canadian chamber of commerce on his return to Calgary from the Peace River country. If I used these words myself I would probably be looked upon as exaggerating, but Mr. Birks, of Montreal, the president of the Canadian chamber of commerce, after visiting the Peace River country from Spirit river to Grande Prairie, to Dawson Creek, Rolla, Beaverlodge, Peace River, and back to Calgary, asked what he thought of the Peace River country, replied:

"We were amazed and thunderstruck at the immensity and wonderful fertility of this great Peace river country."

He was amazed; he was thunderstruck. What did S. P. Gundy, of Toronto, say on his return from that visit? If there is one practical man who could not be carried away by emotion I think it is this very gentleman; and here are his words:

"Never in our lives have we met such people or enjoyed a trip like this. Wherever I go

I will advocate with all my power what I have found is wanted by every man and woman in this vast country; that is, the most direct outlet to the Pacific coast for this great fertile empire."

There is a man who says that he will advocate wherever he goes the granting of an outlet to the Peace River country.

What is this country, Mr. Speaker, whose claims we are presenting before the parliament of Canada to-day, and in respect to which we are asking the government to do something which will add to its prosperity and continued development? Let me briefly present a few facts.

The area of the Peace River country is 73,500 square miles. What does that mean? It means 47,000,000 acres. It means that the Peace River country with its vast potentialities, supplying to-day the needs of its 60,000 people and producing food for over 1,000,000 people, is six times larger than Belgium with its 7,000,000 people. What limits can be set to its possibilities? The limits of the Peace River country are yet unknown. Part of the fertile developed parts of the Peace River country are now defined. They extend from 114 degrees west to 120 degrees west and from 55 degrees north to 59 degrees north. This great country of which we are speaking is so different from that wherein we have spent $40,000,000 to develop a port on the Hudson bay that the marvel is that the government of Canada has been so blind as not to see where the road to this country's greatest destiny lies.

What is the history of the Peace River country? Probably many members of this house are not aware of the history that lies behind that area. It is a wonderful history. In 1778 the Hudson's Bay Company had their wonderful forts at lake Athabaska. It was from Fort Chipewyan that Sir Alexander Mackenzie set out on his memorable trip to discover a way to the Pacific coast. That discovery of his had a wonderful influence upon the development of western Canada. What is the present government doing to carry out his plans?

What is the nature of the land that is comprised in this wonderful area in the Peace River country? It is the most fertile, the most potentially rich country in the whole of Canada to-day. What did the Prime Minister and the Minister of Railways and Canals say in regard to the Peace River country a few years ago? They said that when its production would show the need of an outlet, they would be there to give it. What has been the growth of that country. Mr. Speaker? In 1929, the Peace River country with 60,000 people produced over 16,000,000 bushels of wheat. How, then, can the present government deny to these people the right to develop and to be given access by the shortest route to the Pacific coast? Why has the government delayed for six years? What arguments are they going to present to-day to the people of the Peace River country to justify their denial to the Peace River of what they have given to the Hudson bay country? Contrast the tonnage from the Hudson bay ports with the tonnage from the Peace River country. There is no comparison at all.

I want to get this point clear. Who will benefit by the outlet to the Pacific coast? I will tell you. There are three great ports on the Pacific coast to-day that will benefit by the development of this outlet which I am advocating—Vancouver, Prince Rupert and Stewart. There is no real rivalry between these three ports, Mr. Speaker; there cannot be. Why? Because the area and the resources of the Peace River are so great that once the right outlet is decided upon these three ports must of necessity become world ports. That is their destiny. Stewart area has vast potential mineral wealth and is part of the Peace River development. Prince Rupert likewise must receive a big share of its wealth.

Now I ask the Prime Minister: Has the hour come or not when this government is going to do what it should have done in 1925 or 1926? Is it going to do what was solemnly pledged should be done in 1924—build up Canadian ports such as those I have mentioned? If the government intends to do so, it is time to begin. If it fails to do so, as it has failed for six years, then I say the people of the west will not only be extremely angry and disappointed with this government, but will put in its place a government which puts Canada first, which the Conservative party pledges itself to do.

Hon. T. A. CRERAR (Minister of Railways and Canals): Mr. Speaker, no one who is familiar with the question brought up by the hon. member for Peace River (Mr. Kennedy) will deny that it is one of very considerable importance and interest to the people of that vast district. The settlement of the Peace River area during the past four or five years has been stimulated, and I think there is every reason to expect that the progress thus far made will continue, perhaps not in the same degree or at the same rate, but certainly at a rate comparable with what has happened in the older districts.

While I cannot quite agree with all the arguments that my hon. friend has advanced in support of his resolution, nevertheless I can

say to him at once that some of them are deserving of the best consideration of the house. With the background of what he has said I, of course, personally am not familiar, not having been in the house during recent years when the discussions that he has referred to took place. All I can do in any remarks that I may make is to deal with the situation as I have ascertained it since I came into the department a few months ago.

As my hon. friend stated, there have been several investigations as to possible outlets to the Pacific coast. That work I understand, so far as the railway companies are concerned, is not yet completed. The house is aware of the fact, as indeed my hon. friend has stated, that last year the Canadian National Railways and the Canadian Pacific railway finally got together in an arrangement to take over all these northern railways, and they are now being operated jointly by the two railway companies through a holding company, the board of directors of which is composed of members drawn equally from each railway. During the past few years, as my hon. friend stated, several surveys of a preliminary character have been undertaken from the Peace River area looking for an outlet down to the coast. So far as my information goes the management of the two railways have not as yet reached any decision as to which of these is the best, and it will be necessary to make the most careful examination in order to establish this. According to the information given me recently, the work will be continued this summer by the railway companies. During the few months that I have been in charge of the department I have discussed the question with the presidents of both railway systems. Naturally they are a little reluctant to give any undertaking to proceed with the work immediately in view of the position of railway revenues at the present time, but so far as I have been able to judge, undoubtedly they are both of opinion that it is only a matter of time until such an outlet will be completed. Of course the terminus of that outlet will depend naturally on the route that is ultimately selected.

My hon. friend made some references to the Hudson Bay railway and drew a parallel between the building of that railway and the progress made in providing an outlet to the Pacific coast from the Peace River country. In that he was supported by my hon. friend from Vancouver South (Mr. Ladner). But the two cases are not exactly parallel. In the first place, the Hudson Bay railway to my certain knowledge has been before the people of western Canada for at least forty years; and even so far back as 1908 a considerable block of land in the province of Saskatchewan—my hon. friend states there was also some in the province of Alberta, I accept his statement though I have not any personal knowledge of it—I say a very considerable block of land in the province of Saskatchewan was set aside and the proceeds of the sale of those lands were earmarked for the Hudson Bay railway.

Mr. LADNER: Does that mean that we have to wait forty years too?

Mr. CRERAR: I think my hon. friend will not have to wait quite so long as that. The Hudson Bay railway of course was built for the purpose of giving ready access from the central prairie country to tidewater. But may I point out that from the proceeds of the sale of those lands $25,000,000 will be available towards the expense of that undertaking when the collections are finally made. That arrangement was made over twenty years ago and the road will not be finally open for traffic until at least 1931. Let me say, that were it not for the serious position of the railway revenues at the present time, I think there might be very reasonable ground for assuming that the road would be built from the Peace River in the near future.

In his resolution my hon. friend states:

> That immediate steps be taken to implement the pledge of the Prime Minister given at Edmonton in November, 1924, with regard to the Peace River outlet.

I am not in a position to say what pledge the Prime Minister gave on that occasion, beyond the information given me by the hon. member, which information, I understand, was taken from a newspaper report.

Mr. KENNEDY: Could not the Prime Minister give it? I mailed a copy to him two years ago.

Mr. CRERAR: If my hon. friend by his resolution means that the government should give every attention it can to the carrying out of this undertaking, then I think that his resolution might be accepted. The two railway companies are interested of course in this outlet.

Mr. KENNEDY: Would the hon. gentleman tell me what that means?

Mr. CRERAR: The two railway companies are interested in this outlet. So far as the government is concerned I can say that it is prepared to stand behind the Canadian National Railways in the performance of its share of the work, with the necessary funds,

that is to say, the government is prepared to provide funds through the customary agency of parliament as in other works carried on by the Canadian National Railways.

Mr. LADNER: Does the minister admit that the government has assumed a real responsibility in the declaration of the Prime Minister of 1924 and 1925?

Mr. CRERAR: I did not hear the hon. gentleman's question.

Mr. LADNER: Did not the government assume responsibility in connection with that outlet, or is that responsibility being passed on to the Canadian National Railways?

Mr. CRERAR: No. I am speaking without knowledge of the discussion which took place in parliament on a previous occasion in relation to this subject. I am prepared to say, however, that if my hon. friend who moved the amendment, means that the government should use every agency within its power to secure this outlet, we will accept his resolution at once and without question. I presume that is the meaning my hon. friend wishes to convey, and I can assure him that as far as I am concerned I am prepared to give my very best effort and energy towards the achievement of that purpose. The first essential was the disposal of these Alberta railways. That has been accomplished through the creation of the Alberta Northern railways, and the two major railway companies are now interested in it. They are naturally interested in any outlet to the coast, and so far as the government is concerned I can say that we will use all our influence and will give every assistance we can to the railways to reach a decision at the earliest possible moment so as to have an outlet to the Pacific ocean. I am quite prepared to say that on that understanding the government will accept my hon. friend's resolution.

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, the closing words of the Minister of Railways (Mr. Crerar) either have a very grave significance or they are merely a repetition of the utterances of the Prime Minister (Mr. Mackenzie King) in 1925 and on subsequent occasions. When a minister of the crown, in particular the Prime Minister, makes statements before the public they are usually taken at their full face value. Undoubtedly the Prime Minister clearly stated in the city of Edmonton that he and his government were deeply concerned with the problems of the settlers and producers in the Peace River district, and that he would see at the earliest possible moment that they secured an outlet to the Pacific coast. Years have gone by. We had a report in 1925 from a joint board of engineers of the two railways. They were some of the most distinguished men in Canada. On that board were such men as Mr. Sullivan of the Canadian Pacific Railway, Mr. Gzowski, Mr. James, Mr. Hill and some whose signatures are rather difficult to read. These were the most outstanding railway engineers in the country I have in my hand a report which has been in the hands of the government and in possession of both railways. It has been before the railway committee of this house; it has been cited and read, and in it can be found virtually all the information needed in regard to making a decision about the outlets. I say to the Prime Minister that the words which he uttered—"will use every agency in its power" —are very strong words. I am beginning to wonder if they mean anything, and that is the question my hon. friend has asked in his amendment. We are wondering whether or not the words of the Prime Minister which were uttered five years ago are to be respected, are to be followed out, or are to be implemented with action. I can recall several occasions when my hon. friend the member for Peace River (Mr. Kennedy) brought this matter to the attention of the house. The matter was debated at length and most earnestly in the session of 1927; yet nothing has been done.

Let me bring to the attention of the house one or two points in connection with this matter. The Minister of Railways stated a minute ago that this was undoubtedly a subject of great interest to the people of the Peace River district. It is a subject of great interest to western Canada, and that interest should extend to the whole of Canada. Every member of this house ought to be interested in it. The Peace River district represents a vast empire in the north country. It is not merely a section that is somewhat isolated and in due course will receive consideration, but it is a vast empire, with immense resources, lying at the present time in a more or less idle condition. After the repeated utterances in this house as to the possibilities of that country, it is needless for me to do more than to suggest one or two facts to the government and to this house. Northern British Columbia is west of the most fertile section of the Peace River country. You could put both Norway and Sweden in northern British Columbia north of the Canadian

National Railways. They would be placed in a latitude similar to their own, with better conditions and richer resources of minerals, timber and agricultural lands.

Mr. DUNNING: And a much better climate.

Mr. STEVENS: Yes, a much better climate. In Norway and Sweden there are between nine million and ten million people, whereas in northern British Columbia there are about 20,000 white people—probably there are only about 10,000. I mention these circumstances to show what the possibilities are. In northern Alberta, the country we are discussing, there is a vast area of the finest agricultural land in Canada, with a climate which is exceedingly attractive. To those who understand it, it is not and never has been a question of a few settlers trying to get an outlet for their wheat. I have heard some people say that these settlers had no business to go into that country until transportation facilities had preceded them. As a matter of fact transportation was assured them when the Alberta and Great Waterways Railway was constructed about 1912 or 1913.

Mr. DUNNING: The Edmonton, Dunvegan and British Columbia Railway.

Mr. STEVENS: Yes; when that railway was undertaken and constructed naturally the settlers expected to receive some consideration. In 1925, in the city of Edmonton, the Prime Minister assured them of an outlet. He was taken at his word, and many more settlers went into the district; there is no question that these settlers had a right to expect consideration. There was no doubt that if the railway were opened to the coast where there would be a reasonable outlet for their products the country would develop by leaps and bounds. The minister says the work of the railways, which at present are looking into the situation, is not yet complete. I submit to him that it is not necessary to sit down and idly wait until these two companies complete their work. He also referred to the financial situation and said that in view of the present financial condition of the Canadian National Railways he did not know whether he would be warranted in going ahead with this project.

Mr. CRERAR: I do not think my hon. friend quite understood my statement. I said that the two railway companies which were interested in the Alberta Northern railways were rather reluctant at the moment to undertake this work, in view of the decline in railway revenues.

Mr. STEVENS: In that regard let me say to the minister that in my estimation this is the very time to take up this great national work, if it is justified, because it would take several years to complete this road. This is a big undertaking, and I venture to say that if you started immediately you could not complete the work within two years; indeed, with the use of ordinary methods I doubt if you could construct this road in three or four years. It is a big job, and now is the time to undertake it. We certainly hope that conditions will improve before three or four years pass. To-day we are faced with a good deal of unemployment, and this would be one way to relieve that situation. This is the time to undertake the work; money is cheap and can be secured to-day probably at much lower rates than may be the case in a year or two.

The main point in the whole matter is that the thing is needed and has been badly needed for years. For several years it has been promised repeatedly, and should be proceeded with. There seems to be a lack of appreciation of the vast heritage which we have in that north country and which this outlet would open up not only to Canada but to the whole world. In view of all these points I think the government should proceed with this work now rather than, in the words of the minister, use every agency under their control in this direction, if in the opinion of the government financial conditions justify it. Let us face the question and say it ought to be done; it is an expenditure which is warranted. The undertaking would not require more than a few million dollars at the outset; probably $2,000,000 would see you through the first year, and the heavy expenditures would come at the end of the second or third years. This work is warranted; conditions are ripe for it; the results are assured and the undertaking should be proceeded with.

I have just one word more before I conclude. The question of an outlet often has been trotted out as an excuse for not going ahead with the work. Undoubtedly there is a peculiar geographical condition in that country. My hon. friend who represents the district will correct me if I am at all unjust in my statement, but I might tell the house that the Peace River, which runs from the west eastward, goes through a deep cut in the terrain. This cut is of a character which I am assured is impossible of being bridged at any reasonable cost. Therefore the vast area to the north of the river will find an outlet

on the Pacific coast further north than Vancouver. On the other hand there is an area south of the river which naturally would find its outlet through Vancouver.

Mr. DUNNING: I am sure my hon. friend from Prince Rupert would not agree with that statement.

Mr. STEVENS: I am not so sure of that, but I cannot help it. As a matter of fact I was going to add, for the consolation of those who think there should be only the one outlet, that if that area south of the Peace River and the area now under cultivation, with its adjoining territory, were brought up to full production, these products would tax the full capacity of whatever route was chosen, on a single track basis. There is no doubt of that, and with the two areas separated by nature, as they are by a deep cut, the Peace River district will require two different outlets. There is no question of that in my mind; that is the ultimate outcome, and it is not fair to befuddle the public by putting Prince Rupert or Stewart against Vancouver on the one hand, and Vancouver against the northern points on the other hand. It is not a statesmanlike way to approach the question, and it is not fair. It is not good economics; it is not sound business. The geographical situation is there and it cannot be changed. My opinion is that the government should take the report it has had in its hands for five years and the information gathered since, of which there is a great abundance. Several ministers of the crown have been in that country, and I venture to say there is not one of them who will not endorse the facts I have stated, even if they will not endorse my sentiments. Then there is this other report, which I understand now is complete and which, by the way, is merely the report of a survey of resources. All this information is in the hands of the government, and this work ought to be done. We in this house who are interested in this matter are trying to bring the government to act and not merely indulge in preelection promises. The Minister eschews that, but I rather think that even his immaculate behaviour would not prevent him from wandering slightly astray in making preelection promises. Most people are more or less afflicted with that habit, but there are times when we can very properly say to those who have the reins of power, "You have made certain promises and statements; we believed they were sound and right; the people accepted them seriously and now we call upon you to implement them."

[Mr. Stevens.]

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, I desire to say just a few words with reference to a problem with which I had some personal connection during the past several years. As I think my hon. friend from Peace River (Mr. Kennedy) knows, personally I regard the question of a western outlet from the Peace River district as Canada's major immediate transportation problem. I use that expression deliberately, having regard to the fact that Canada is just completing the Welland canal, a major undertaking costing a very great deal of money, as well as another transportation effort in the Hudson Bay railway. I say deliberately that in my opinion Canada's major immediate transportation problem is that referred to by my hon. friend in the motion now before the house.

I do not think, Mr. Speaker, that in dealing with this problem the government can be accused of dilatoriness during the past few years. Until a year ago the railways in northern Alberta, the Edmonton, Dunvegan and British Columbia, the Central Canada and the Alberta Great Waterways railways, were owned not by either of our great transportation systems but by the government of the province of Alberta. Negotiations were under way for several years, and finally we were successful in arranging to have these lines taken over by a company owned jointly by the Canadian National Railways and the Canadian Pacific Railway. The arrangement which was approved by this house one year ago provided for the taking over of the lines and, in addition, for a comprehensive program of branch line construction. I believe I am correct in saying that the two great railway systems which now own the Alberta Northern railways are fulfilling the obligations then undertaken with regard to the construction of branch lines. At that time I indicated to the house that the government was asking the two great railways system to concern themselves immediately with the problem of a western outlet for the system of lines terminating in the Peace River district. That request was made and was pressed upon the railways concerned, not only by myself as Minister of Railways at the time, but also by the Prime Minister, and by my successor in office (Mr. Crerar), who spoke a few moments ago. The hon. member for Vancouver Centre (Mr. Stevens) indicated in his remarks that the work which is being carried on has nothing to do with the finding of a route, but concerns only the resources along the route. I think my hon. friend is confusing two things. The

survey of resources in British Columbia now being undertaken by the two great railway corporations has to do with the problem of the Pacific Great Eastern, and is being conducted at the request of and with the cooperation of the government of British Columbia.

Mr. STEVENS: Having in mind, of course, the projection of the Pacific Great Eastern into the Peace River country.

Mr. DUNNING: Possibly, but not certainly.

Mr. STEVENS: Undoubtedly.

Mr. DUNNING: My hon. friend is very sure about that.

Mr. STEVENS: Yes.

Mr. DUNNING: My hon. friend seems certain that the Pacific Great Eastern represents the best outlet to the Pacific coast for the Peace River country.

Mr. STEVENS: My hon. friend is not so certain.

Mr. DUNNING: A great many people do not regard the Pacific Great Eastern as a sound economic outlet to the Pacific coast.

Mr. STEVENS: I say that that investigation is being carried on primarily to make a survey of the resources on the route of the Pacific Great Eastern and in the territory served by it, and has in mind the projection of that road or the connection of that road with the Peace River country. In explanation of that one observation of mine which the hon. minister has taken up, I had in my hand a moment ago the report of the joint engineers of the railways, Messrs. Sullivan and Gzowski and the other group. In 1925 they reported on the very point which the minister is now discussing, the question of route, the question of outlet, and so forth.

Mr. DUNNING: I can continue now to make my point, that the survey of resources along the route of the Pacific Great Eastern may have and probably will have some bearing upon the settlement of the question of a western outlet, but what was discussed last year in the house, and what we had reference to when we spoke of the government bringing pressure to bear on the railways, had nothing to do with the Pacific Great Eastern. That had to do with an outlet to the Pacific coast from the Peace River country, and the defining by the railway companies of the best, the proper, the most economical, and the soundest route to pursue in that regard without tying up the railway companies either to the Pacific Great Eastern or to any other project.

Mr. STEVENS: That is quite true.

Mr. DUNNING: As the Minister of Railways has indicated, progress was made last year by the railway companies in this connection. I personally am not satisfied with the progress which has been made, but I think in fairness to the two great railway companies consideration should be given to the serious diminution of revenue which may have dampened their ardour with respect to the surveying of new projects. As my hon. friends from that part of the country know, the Canadian National engineers for years have argued that the Obed route was the best one. I am hoping that that belief may be corrected by the investigations now going on, which are testing that belief as well as the availability and economics of other proposed routes.

As far as my own investigations go, and they are not at all final, I believe that an outlet should be chosen which would make available either of the existing ports on the British Columbia coast. An outlet should be provided which would make it possible for the products of the Peace River country to travel with reasonable economy to either of the ports which now exist on that coast.

Mr. KENNEDY: Do I understand the minister to say that the Canadian National is making a survey at the present time on that same basis?

Mr. DUNNING: I cannot say what work is going on at the present time.

Mr. KENNEDY: Was anything done in 1929?

Mr. DUNNING: I have been out of touch with things for several months, but my information is that the railways did proceed to gather the information necessary to enable them to make a decision.

The railways may decide that in view of their economic situation they do not desire to go ahead immediately with the building of this road. If that should be the situation, then parliament must take cognizance of that fact. I hesitate to say this, but it may be necessary for parliament to vote directly the funds required for such a project. I had hoped that the economics of the proposal would appeal sufficiently to the great railway companies, who are now in the position of owning the northern lines, so that they themselves would propose the measures whereby the work would be definitely undertatken. In that event, parliament would be asked to guarantee the bonds with respect to the Canadian National Railways, and to vote the necessary authority in so far as the northern Alberta railways were concerned.

That is one possibility. Another is that the two railway companies may not agree as to

what should be done. In that event, parliament must be in a position to act, either with the Canadian National Railways or through the power which rests in parliament to undertake matters of this kind if the will of parliament so desires. As a matter of transportation economics, everyone concerned naturally would prefer to see it handled by the railways themselves as a business proposition rather than by any direct governmental undertaking.

Mr. GARLAND (Bow River): When does the minister expect that the railways will be able to tell him whether or not they will go on with the work?

Mr. DUNNING: The Minister of Railways has spoken already.

Mr. GARLAND (Bow River): The Minister of Finance has arrogated to himself the right of saying that it is up to the railways and that parliamentary responsibility is shelved.

Mr. DUNNING: My hon. friend says that I am arrogating certain things to myself. I was merely telling the house what would be the natural step. If that be arrogance, then I am guilty. However, I do not think I can be accused of arrogance. My hon. friend has a perfect right to speak or to ask me any questions, but I do not think he is treating me quite fairly when he accuses me of arrogance in dealing with a public matter.

Mr. GARLAND (Bow River): I think the hon. gentleman is aware of the difference of the terms "to arrogate" and "arrogance". I repeat that the minister has arrogated to himself the statement of what he claims to be a fact, that the responsibility for the decision in connection with the construction of this line now is upon the railways and not upon parliament.

Mr. DUNNING: Oh, no.

Mr. GARLAND (Bow River): The promise of the Prime Minister has been forgotten; the promise of the Minister of Railways has been forgotten—the railways are to decide.

Mr. DUNNING: No.

Mr. GARLAND (Bow River): When does the hon. minister expect the railways to decide either for or against?

Mr. DUNNING: I understand my hon. friend now, but I do not think he understood me. I did not at any time state that the decision rested with the railways. What I did say, and what I intended to convey in the plainest terms, is that it is desirable in the national interests that this undertaking should be carried out if possible in the same manner as any other national transportation undertaking, that is, by the railways concerned, or, failing joint action, by the Canadian National Railways as such. I was giving an assumption of what would happen if the managements of the railways, or the management of the Canadian National Railways acting singly, decided that this proposal could not be recommended to parliament. I hope my hon. friend will listen to me when I say that our position would be then exactly the same as it was in the case of the Hudson Bay railway, because the Canadian National Railways never would and never did assume any responsibility for the construction of that railway.

My hon. friend asks when we may expect an answer from the railways. I think we are entitled to receive very shortly a definite answer from the railway companies concerned. I am not familiar with the recent developments along that line, but I think sufficient time has elapsed to enable the railway companies to make a definite recommendation or a definite statement of their intentions within a very short period. This matter having been evolved so far, having reached the stage where the railways of northern Alberta are owned by the two great railway corporations, having reached the stage where those two railway corporations have had plenty of time—here I am speaking only personally, but I believe they have had plenty of time—to go into the matter thoroughly as to the economics and the shortest route which should be followed, if action is not determined upon by the railways we shall have to face the situation as to whether or not we are in the same position with regard to this matter as we are with regard to the Hudson Bay railway. Personally I have no doubt as to the action we shall take if that is the position in which we find ourselves.

Mr. LADNER: Supposing the railways fail to act, what will be the policy of the government?

Mr. DUNNING: The policy of the government, the policy of any government, must be to see that the outlet is built.

Mr. LADNER: When?

Mr. DUNNING: My hon. friend realizes the position in which his question places any minister. Does he want me to give an answer which in effect will be saying to the railway companies: You have no responsibility in connection with the matter?

Mr. LADNER: The minister made an answer six years ago.

Mr. DUNNING: What was it?

Mr. LADNER: That the government would build a railway practically immediately.

Mr. DUNNING: My hon. friend is unfair in that regard, and he knows it better than I do.

Mr. LADNER: The statement is on Hansard.

Mr. DUNNING: The record stands of what this government has accomplished in the face of great difficulty with respect to the Peace River area within the last few years. There is no doubt in my mind that we can have this outlet constructed by normal railway means and to-night I do not want to say anything that would encourage the idea on the part of the railway systems of Canada that they can escape the responsibility which is properly theirs. That is the reason I answer my hon. friend's question in the way I do. But on the other hand I must repeat what I said at the outset, that this to my mind is Canada's major, immediate transportation problem, and that action must be taken with regard to it. Personally I have no fault whatever to find with my hon. friend's resolution as I understand it.

Mr. BRADY: I should like to ask the minister a question. He says that this is the immediate responsibility of the two great transcontinental railway companies. I would like to ask the minister: When this agreement was entered into, did the minister place the onus of an immediate outlet upon those two great transcontinental railway companies?

Mr. DUNNING: The agreement, as my hon. friend well knows, did not comprehend the question of the outlet at all. I am very much afraid that if any insistence had been placed upon the railways at that time to give a definite undertaking regarding the immediate building of an outlet, we would never have got the agreement; the railways would never have been purchased. As I have stated to the house before, I believe the acquisition of the railway by the Canadian National preferably, or, failing that, by both railways, was a necessary and essential first step in the solving of the problem. Until the railway was in other hands than those of the provincial government I could see no way whereby the problem of an outlet or the development of the Peace River country could be solved. As I have said before—and I say it again to-night—I believe last year's legislation represented a very definite step and the time is now ripe for a further step along the same line.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, may I direct the attention of the house for a moment or two to this question? The present Minister of Finance (Mr. Dunning) on April 13, 1927, made it clear that he regarded it as the absolute duty of the government, of the parliament of Canada, to see that a comprehensive survey was undertaken in order to discover the most economical route for the construction of this line. In 1927 surveys were advocated by the former Minister of Railways, the present Minister of Finance. Surveys were carried on during 1927 and 1928 and there is a partial report based upon the engineers' discoveries or investigations. For 1929, however, we can find no evidence other than the minister's rather hazy statement as to what investigation has been or is being conducted by the Canadian National. It appears to us from the evidence before us that for some reason or another the active work started in 1927 was dropped at the end of 1928, and other than a very vague general statement that the minister believed the Canadian National were conducting an investigation, there is no evidence that they have been so or that they are continuing a survey which they themselves admitted in the 1928 report was only a partial one. If they are not continuing a survey they are trying to carry out a policy on a partial investigation instead of pressing on with the actual survey. That one point alone would indicate to me that there is something lacking in the policy of the government.

Mr. DUNNING: My hon. friend will permit me to answer that question. He surely remembers that the detail work in 1928 was all done north of the Peace River and that very valuable information was secured regarding that area.

Mr. GARLAND (Bow River): But are the surveys in the various passes continuing? The answer of a man who has given a great deal more study to the question than I have, namely, the hon. member for Peace River (Mr. Kennedy) is: No, they are not continuing with the active surveying. In that report they stated that the surveys therein undertaken were only partial and could by no means be regarded as complete. It looks to me as though for some reason or another all active working connection with this matter, of which the Minister of Finance emphasized the importance, has now stopped, and we have entered what one might call a resting period until the election is over. The engineers who

examined the situation and reported in 1924, their report being published in 1927, showed that for the years from 1919 to 1923 the total production of wheat in that area was 5,328,000 bushels and the total production of all grains for the five years was only 10,000,000 bushels, and they indicated that the time for the construction of the road would be when the production of that country reached the 10,000,000 bushel mark. That mark has long been passed; to-day the production of wheat alone amounts to 10,000,000 bushels and the total grain production is more than 16,000,000 bushels.

As regards the other point raised by the Minister of Finance, let me point out that the settlement in that district has proceeded and is now proceeding at a far more rapid rate than the branch line program of the two lines can possibly cope with. If ever there was justification for the parliament of Canada stepping in and saying: "Let us get to work on this Peace River outlet," we have it now. Far better to do that if only to relieve the unemployment situation that prevails at present and is likely to continue for some time to come, than to disregard the appeal of those who went into that country—and to-day there are 35,000 people there—believing that the honour of the government was behind the construction of the outlet. They have waited almost too long; they have become disheartened and discouraged, although the hon. member for Peace River has endeavoured to paint a picture of courageous settlers in that district still carrying on the battle against high rates and unfair conditions.

On November 10, 1924, the Prime Minister of Canada, the right hon. gentleman who is now sitting in his seat opposite, definitely stated in the First Presbyterian church in Edmonton—he chose a very excellent place to make the statement—that the construction of the Peace River outlet was an absolute necessity. If it was an absolute necessity in 1924, surely the right hon. gentleman realizes that it is an infinitely greater necessity at this moment, and yet his responsible minister says: This is for the two railway companies to decide, and if the railway companies delay unduly—whatever that may mean—then it will be the duty of this government to step in. That is not a very courageous stand. That is not carrying out pledges or keeping promises. That is not justifying the glorious phrases that the Prime Minister and his colleagues poured forth from the hustings in Vancouver and Calgary and Edmonton. It is not keeping faith with the people. I ask the Prime Minister now if he will not rise in this house and declare that he recognizes the necessity to-day as he did in 1924, and will he not pledge his government to see immediately that this survey is completed at the earliest date and construction commenced as soon as possible; and in order that that may be done, let the necessary vote be inserted in the supplementary estimates.

[Mr. E. J. Garland.]

Hon. CHARLES STEWART (Minister of the Interior): Needless to say, Mr. Speaker, there have been two problems in the province of Alberta in which for the past year I have been greatly interested and the solution of which I have tried to forward. While not forgetting the general problems of government I have felt it incumbent upon me to press in season and out of season for the return of the natural resources to the western provinces, and to seek if at all possible a solution of that problem whereby these resources might be returned. And in conjunction with that problem there was the question of an outlet from this last new great northwest to the Pacific coast.

I very well remember in the days when the Edmonton and Dunvegan railway was being projected into the Peace River country that I was sent in there for the purpose of making an investigation and bringing in a report to the provincial government on the potentialities of that portion of the province of Alberta. Having visited the territory upon that occasion for the first time, I became convinced that the paramount necessity of the people in that region was to secure a railway, and I so advised the government. The railway was projected into the Peace River country. Sometimes I think, and I believe my views are shared by a great many people, a better route might have been chosen than the one selected. However, the railway is now built and for a considerable number of years the people have been enjoying the facilities afforded by it. The railway, of course, was projected into the Peace River country with the avowed intention of going on to the coast through some pass. We were told at that time that it would be the Peace River pass. One need only glance at the map to realize that an outlet of that character would best serve the interests of the whole of that territory. Rightly or wrongly I have advocated through all these years the construction of a line through the Peace River pass, giving access either to Prince Rupert, or going south and joining at Fort George with the projected construction of the Pacific Great Eastern to that point in order that the citizens of that territory might have an outlet. This matter was under active discussion in 1923, 1924, 1926 and 1927 prior to the announcement that a complete survey

of these passes was to be made with a view to the selection of the most feasible route, and when that survey was undertaken there was undoubtedly in the minds of the officials of the Canadian National system and of its surveyors the desire and the intention to build from Aggie to Obed on the main line of the Canadian National. I took some responsibility as a representative of Alberta for rather opposing that idea, believing that an outlet should be sought by way of the Peace or Pine pass giving access from that territory over the height of land to the coast and serving, if possible, the two ports of Vancouver and Prince Rupert. I was under the impression that that survey was going on all these years. But last year I understand that the railways made the statement that the most pressing necessity of the moment was the construction of branch lines, and I am somewhat surprised to know, as stated by my hon. friend, that that survey has not been prosecuted as rapidly as was expected. But I do know this, from the reports of our own Dominion land officers, that down the Peace River there has been a very large number of homesteads located this past year, and one of the immediate necessities, in addition to that mentioned by my hon. friend the Minister of Finance (Mr. Dunning), will be a railroad projected northward to give those people the necessary railway facilities to get their produce to market.

I was also greatly interested in the reported discoveries of minerals along the shores of Slave lake and Great Bear lake. Last year a reconnaissance was made by aeroplane and a very interesting report was brought back as to the possibility of a railway line being projected from some point at or near Grimshaw northward and northeasterly into the mining area.

So, Mr. Speaker, the problem of railway construction in that country seems to be a very pressing one to say the least, and will continue to be a pressing one. If the railways are undertaking branch line construction, I am convinced that they should also undertake the construction of an outlet to the coast. My hon. friends opposite make the statement that the government themselves should embark upon this project. The Minister of Finance put it very concretely when he stated that if the two railways do not agree it will become the business of the Canadian National Railways to build that outlet, as they have built an outlet to the Hudson bay, to give the people these very greatly needed facilities. Speaking for myself I will continue to advocate as strongly as I can, as I have done in the past, the construction of such an outlet. It was stated in a letter I believe by Sir Henry Thornton, upon request, when asked what he would consider a reasonable volume of traffic to warrant the building of an outlet for the Peace River country, that when the settlers in that locality produced 10,000,000 bushels of wheat he thought that an outlet to the coast would be warranted. My hon. friend from Peace River (Mr. Kennedy) states that that figure has already been reached.

Mr. LADNER: Sixteen millions bushels.

Mr. STEWART (Edmonton): He, as well as others, must realize the responsibility of a promise of that kind, and we should have action upon this very greatly needed improvement in that part of the country.

Mr. GARLAND (Bow River): Is the minister aware of any work that is being done at the present time by either or both of the railway companies in connection with the Peace River outlet?

Mr. STEWART (Edmonton): So far as I am concerned, I thought that surveys were being projected. I do know that one season was taken up in reconnaissance work north of the Peace River, and I understood that a complete survey of the Pine pass was to be made. I do know that they have a complete survey of the line to Obed because I have seen the figures which the engineers have presented as to the cost of construction of that particular line.

May I say that I have not changed my mind? It is not for me to say how the outlet should be built, but I do think that the projection should be westward through one of these passes in order to give the needed facilities, rather than a line from the Edmonton and Dunvegan railway to Obed connecting with the Canadian National line. We must all agree that if the two railway companies can come together about the route to be followed in building the outlet, it will be very much better than having a division of opinion and the necessity of stepping in and constructing the line by the Canadian National Railways alone. I confess frankly that having the two railway companies purchase the existing lines in this territory has not added to the ease of the construction of this outlet.

But may I conclude by saying that so far as I am concerned, and so long as I am a representative of the province of Alberta, I shall continue to advocate just as strenuously as I can the construction of this outlet.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, the motion before

the house is the usual motion that the Speaker do now leave the chair. The amendment thereto calls upon the Prime Minister (Mr. Mackenzie King) to implement a promise which he made to the people of Canada. The discussion has wandered far afield and has covered many matters which were not involved in the observations made by the hon. gentleman (Mr. Kennedy) who moved the amendment.

Should the Prime Minister of this country make a promise on the eve of an election for the purpose of securing support for his candidate and then disregard that promise? That is the question; nothing more nor less than that. It is all right to go to Saskatoon and ask how many miles of branch lines you have to build to get support for the member. It is all right to think in terms of miles of railroad, as was done by the Prime Minister in the reported speech at Saskatoon, and it is all right to go to Edmonton and promise a Peace River outlet at the earliest possible moment, and it is all right to make that statement again in Vancouver. But Sir Wilfrid Laurier once said that chickens have a habit of coming home to roost. And they have come home to roost in this case! What is the Prime Minister going to say about it? That is the question.

An hon. MEMBER: Nothing.

Mr. BENNETT: It is not what the Minister of the Interior (Mr. Stewart) says about the painful struggles he has made for Alberta and the weeping he has indulged in during the past year in the intervals when he had something more to think about than natural resources. But had he been thinking of the natural resources during the past six years we would not have been taking up the time of the house this session in doing tardy justice to the western provinces. It is not enough for the Minister of Railways (Mr. Crerar) to say there will not be a Peace River outlet for a year or two. That is not an answer to the question before this house to-night. The question now before the house involves the honour of parliament and the honour of the Prime Minister. It is not good enough for the Minister of Finance (Mr. Dunning) to tell us that he knows something about this thing and to work himself up into a fine frenzy as to what he has done to make the government live up to its promises. What is the answer that this parliament and the people of Canada are waiting for? Shall we tolerate such a condition of affairs in this country that the Prime Minister, with all the authority and responsibility of a minister of the crown, goes out to the trusting people and standing before them in a church edifice at Edmonton tells them what he will do, and then three or four years later still disregards that promise? That is the issue involved in the amendment made by the hon. member for Peace River. It is high time such an amendment was made in this house. It is high time for the people of this country to realize that they cannot be longer deluded by these promises made by the Prime Minister on the eve of an election. It is only a few days ago that the same sort of thing had to be dealt with. When one reads the language used by the right hon. gentleman in Vancouver one realizes that it was a promise as near as he could make a promise and yet not make one, following upon the fact that he had made the promise at Edmonton and was confronted with it at Vancouver. But it was good enough to try to mislead three thousand people or more. Where is the honour of this government? They prate and prattle of the high moral issues that are involved, in a fine frenzy they talk about the ideals of Liberalism and the open road. But let them keep their promises; then we will have some honour in this country. It is all right for you to promise branch lines when by so doing you can get votes; but when that day is past you come and tell parliament, "We have not anything to do with branch lines; it belongs to the railways." Read the speeches made by the right hon. gentleman while in western Canada within the last fifteen months in which he took credit for what his government had done in constructing branch railways. After all, who is able to build these railways, the government or the railway companies? Some people have thought that this government endeavoured to control the railway companies. Most people looked upon the speech made by the right hon. gentleman as an indication of that. Sir, I put to the house this question: If the government has power enough to build branch lines, or to compel the railway companies to do so, it surely has power enough to protect the honour of parliament and the honour of the Prime Minister. That is the question at issue. Upon that question I will not permit the hon. gentleman, even if he desires, to withdraw his motion. I think it is high time this parliament passed upon the observations made by the right hon. Prime Minister. The people of this country, to use the language of the street, are beginning to understand the game, they are beginning to see through it, they are beginning to strip this mantle of righteousness that the right hon. gentleman wears, realizing the time is come when promises given for votes must

be implemented in parliament or else he must cease to hold office. That is the position in respect to it.

Mr. KENNEDY: I just wish to say that I had no intention of withdrawing the motion.

Mr. BENNETT: I felt pretty certain of that, but I wished so to intimate to my hon. friend beforehand so he would not make any mistake about it. But there is the issue, sir, the whole issue, and it could not be made clearer. The Prime Minister went to the trusting and confiding electors of Brandon and promised them what he would do; then three or four years afterwards, as the hon. member says, he pleads that he is in the hands of the railways. The matter was in the hands of the railways then, or else we have been deceived; one or the other. Either the railways were free to do as they pleased with respect to branch lines, or they were not; and if they were not, the government would be able to claim credit for its branch lines program. Indeed, at the time it said: "Look at the trouble we had with the Senate when our branch line legislation reached that chamber." Now the Senate is reformed by the advent there of the former Minister of Immigration (Mr. Forke)—and all is well.

Now, sir, I ask, Does the Minister of the Interior think the people of Alberta are deceived with that sort of talk?

Mr. STEWART (Edmonton): Oh, no.

Mr. BENNETT: Of course, he does not think so. He knows the electors of Edmonton will recall the speech made by the Prime Minister in the Presbyterian church, he knows their memories have not entirely failed them, and he knows they will hold not only the Prime Minister but himself responsible for the failure to implement that promise. The Minister of Finance is absent. No wonder! He came in and did his little bit; he has been a boy scout for to-day; he has done one good deed. He has come up and tried to defend the breach of honour and of obligation by the Prime Minister to the people of Canada, especially of western Canada. Having done so he has gone out. He will get the meritorious reward for service well done. As I have said, he has been a good boy scout to-day, he has done one good turn—he has helped a big brother.

But, sir, some hon. gentlemen look upon these matters as what they call "just the pastime of politics." They think it is a delightful thing to make these promises before an election and then say, "Look how we outdid the Conservatives." Mr. Meighen could not make such promises and implement them, for he was not in power. Oh, no. But when he made a promise he kept it.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Of course it would be so strange to hon. gentlemen opposite to think that any leader of a party would keep a promise that they laugh. Why would they not? Long habit has induced them to believe that when a prime minister makes a promise he has no intention of keeping it. They laugh at the very thought of a prime minister keeping his promise. Is it any wonder they laugh? If I sat behind the Prime Minister I would certainly feel like laughing. Why, even the Minister of Justice laughs at the thought. And may I add that the performances in this house during the last three or four months are strictly in keeping with the same general principle? I will review them at a later date, but I shall not do it now.

Some hon. MEMBERS: To-morrow?

Mr. BENNETT: To-morrow? Well, that would be a very opportune time. I thank the Roderick for the word; it steels my sword. Now, let us recall the circumstance in connection with the Peace River outlet.

Mr. POULIOT: Before my hon. friend goes on, may I tell him why we laugh?

Mr. BENNETT: Well, I would judge that it was because of the recent appointment to the bench in Quebec; I would judge that from remarks my hon. friend has made on previous occasions.

Mr. POULIOT: I will tell my hon. friend why his friends cheer. It was because he, the new judge, was a member of an administration the premier of which, Mr. Taschereau, is the greatest Tory in this country, according to the leader of the opposition; he took the crown off his head to put it on the head of the Quebec premier. I will tell my hon. friend why we laughed. We laughed because the present leader of the opposition presented a petition on behalf of a man named Collins to unseat the present member for Peace River.

Mr. BENNETT: Now, my friend from Temiscouata who has such a high regard for judicial authorities—

Mr. POULIOT: It is a precedent that does not date back to the reign of Queen Anne.

Mr. BENNETT: It was in the reign of Queen Anne of happy memory that a statute was passed and the decision of the privy

council made with respect to the meaning of the words trade and commerce. Perhaps the hon. gentleman could apply those words in connection with the appointment to which he refers.

Mr. POULIOT: I do not know if there is a trade between the leader of the opposition and the hon. member for Peace River—

Mr. BENNETT: I can assure the hon. member that there is no commerce.

Mr. POULIOT: Then it is "peace" river.

Mr. BENNETT: There should always be peace, perfect peace, between the hon. gentleman and myself.

Mr. POULIOT: Then it is the styx.

Mr. BENNETT: The Peace River project is a matter upon which we voted in this house. The government of the day was not only content to make observations but the Prime Minister induced his followers to vote down the resolution moved at that time by the hon. member (Mr. Kennedy). I supported the motion, believing that the time had come when it was desirable that a little progress should be made. There are those yonder who say that there is no progress in the Conservative party, that progress rests entirely with Liberalism. For instance, there is the chief whip of the Liberal party, who is the champion of that statement. I have been reading some of his magnificent speeches delivered throughout the various parts of Ontario and Quebec; he speaks in Ontario chiefly. In his opinion progress is synonymous with Liberalism—but progress may be backward; you may slip down hill as well as up hill.

Mr. LAPOINTE: That is Conservatism.

Mr. BENNETT: No. Tennyson expressed it very well when he said, that man's the best conservative that lops the mouldered branch away. I would judge that that is why the hon. member for Temiscouata complains of the Prime Minister's recent appointment to the Quebec bench. It is all right now, is it?

Mr. LAPOINTE: I think so.

Mr. BENNETT: Very well, it is all fixed up now.

Mr. POULIOT: And I have nothing to withdraw.

Mr. BENNETT: There is not so much peace after all; the hon. gentleman says he has nothing to withdraw. His observations the other day indicated that the gentleman appointed was unfit for the position, but now he says he has nothing to withdraw. I shall leave it to the minister and his supporters.

[Mr. Bennett.]

Mr. LAPOINTE: That is the opinion of the hon. gentleman himself.

Mr. BENNETT: Let us look at the Peace River outlet which has been endorsed as the policy of the Prime Minister. I have before me the headlines of the speech made by the Prime Minister on November 6, 1929.

Peace River Outlet Endorsed as Policy by Prime Minister.
Vancouver Audience hears Premier King's Assurance That His Government Will Check all "Dilly-dallying" In Decision on Survey.

While his government was dilly-dallying and while his Minister of the Interior was inactive, the survey stopped. The survey having stopped the dilly-dallying continued.

I can only repeat the question: Can we hope to make progress in Canada if the chief citizen of the country makes promises on the hustings and in parliament, secures the support, and then makes no attempt to fulfil them? In this case the surveyors are withdrawn, the railway is not completed, and the outlet is undiscovered; progress is backward as well as forward. The speech of the right hon. gentleman remains unredeemed, and the obligation is disregarded six years afterwards. That is the position I put to this house; and I shall observe with much amusement the attitude of my hon. friends when they attempt to condone the action of their Prime Minister. They will no doubt as usual take their whippings like litttle men, realizing that they have done one more good turn for the cause which they supported.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the hon. leader of the opposition during the course of his remarks said something about wandering far afield. At that time he was referring to other speakers, but I think his remarks would more often apply to his own address. My hon. friend has said that we have before us an amendment to the motion to go into supply, and he asked what the action and comment of the Prime Minister will be in connection with that amendment. He then turned to his friend from Peace River district who moved the amendment and made the statement that he does not propose to allow him to withdraw the amendment.

Mr. BENNETT: No, I did not say that.

Mr. MACKENZIE KING: Oh, yes.

Mr. BENNETT: I said I would not permit him to withdraw it without first taking a vote.

Mr. MACKENZIE KING: The hon. gentleman said that he would not permit the hon. member for Peace River to withdraw his motion without first having a vote taken. The

hon. member for Peace River then, doing his part, told us that he did not intend to allow the amendment to be withdrawn.

Mr. KENNEDY: I have not heard anything yet that prompts me to withdraw it.

Mr. MACKENZIE KING: My hon. friend will not need to withdraw his amendment because the government is prepared to accept it; the government does not propose to have the amendment used simply for political purposes. Let me read the amendment that we may see the extent to which hon. gentlemen are trying to play politics with this important Peace River project. Listen to the amendment; it reads as follows:

That immediate steps be taken to implement the pledge of the Prime Minister given at Edmonton in November, 1924, with regard to the Peace River outlet.

Do hon. gentleman opposite expect that hon. members on this side of the house are going to vote not to implement any pledge given by the Prime Minister? If hon. gentlemen opposite do not expect them to vote in that way what does my hon. friend mean when he says he will not allow this amendment to be withdrawn on the government giving an undertaking that it is prepared to carry out its undertaking? The amendment has been so worded and introduced as an amendment on going into supply as to place the government before the people of this country as appearing to be in the position of declining to implement a pledge which the amendment says has been given by the Prime Minister. I tell my hon. friend—

Mr. KENNEDY: Six years ago.

Mr. MACKENZIE KING: I do not care whether it was six or sixty years ago so long as the pledge remains, and so long as there has been good and substantial reasons why it could not have been implemented sooner. I am sure the reasons which have governed up to the present will be supported by public opinion. I am prepared to say that when the opportunity presents itself for the carrying out of this pledge, it will be carried out. I do not propose to have hon. members on this side of the house put in the false position of appearing to be voting for anything to the contrary. If hon. gentlemen opposite between them wish to draft an amendment with a view to trying to embarrass the government politically, that is their own lookout, but I can tell the people of this country and particularly the people of western Canada that as far as this Peace River outlet is concerned, the government does not believe that tactics of the kind will help the project. The government is in earnest with respect to having that route constructed just as soon as, having regard for essential consideration, may be possible. If hon. gentlemen opposite are determined to seek to make political capital out of it they will have to make their own explanations to the electors.

My hon. friend says a pledge was made in 1924 at Edmonton, and he reads words which he indicates are those directly spoken by myself. To begin with, I do not think the report has anything in direct quotations. It is a statement of what I purported to say at the time I was speaking in Edmonton.

Mr. KENNEDY: The important part of the speech is in direct quotations, and it was taken from the Edmonton Bulletin, a friendly newspaper.

Mr. MACKENZIE KING: I do not think I used the expression "I pledge myself" in regard to anything; I am quite sure that is not my own language. If I had been speaking with respect to an undertaking of the government I would have made a reference to the government and said that I spoke in the name of the government. I think I am sufficiently well acquainted with my own manner of speaking to know the language I would have used at the time, and in giving any undertaking for the government, I would have taken care to mention the government in that way.

However, I have not the slightest doubt that I did say I believed the construction of this route was essential and necessary and that it would be undertaken—apparently the word "humanly" was used—as soon as would be humanly possible. That is general language; it does not mean that the railroad necessarily would be constructed that year or the year following. It meant that the road would be constructed, having regard to those circumstances for which a government must have regard, as soon as relevant circumstances would make such construction possible.

Mr. LADNER: When will that time be?

Mr. MACKENZIE KING: If my hon. friend will wait a moment I will tell him. At the time I was speaking, conditions were very different from what conditions are to-day with respect to the possibility of the government being in a position to guarantee the passage of measures through this parliament. Reference has been made also to a speech which I delivered in Vancouver, during the course of which I am reported to have said that we had had our experience with regard to branch lines, and so we had. When I was speaking in Edmonton, I am not at all sure that that was not at a time a program of branch line construction which we had placed

before parliament and which had passed this house had been rejected by the other house. If I am not mistaken our branch line programs were thrown out on two or three different occasions. That being the case I think I was justified, speaking in Edmonton in qualifying my language as to what in the name of the government I could undertake with respect to a railway which would afford an outlet from the Peace district to the Pacific. The report of my speech as read says that they would have to be patient.

Mr. KENNEDY: The Prime Minister was discussing the Hudson Bay railway and the Peace River outlet.

Mr. MACKENZIE KING: Yes, I was discussing the Hudson Bay railway and the Peace River outlet, but I was discussing these questions at a time when I knew the extent of the government's power in the matter of getting railway legislation through this parliament and I was speaking in the light of that knowledge. When I spoke at Vancouver, I was equally careful to have regard to what I believed the power of the government would be with reference to legislation which it would wish to have enacted by this parliament. I was careful not to make unconditional promises, but to make perfectly clear to the electorate difficulties with which in the past the government had been forced to contend and difficulties with which we might have to contend in the future. My hon. friends opposite have read, from the Vancouver Province of November 16, 1929, headlines which appeared above the article dealing with the meeting which was held in that city.

Mr. LADNER: And the context as well.

Mr. MACKENZIE KING: But not all the context; I am going to show that my hon. friends picked out parts of the context as best suited their purpose. I will show also what they did not read. This was the heading:

Peace River Outlet Endorsed As Policy by Prime Minister.

Vancouver Audience Hears Premier King's Assurance That His Government Will Check All "Dilly-Dallying" in Decision on Survey.

Then my hon. friend read some of the text, as follows:

"As a government we believe in the Pacific outlet for the Peace," said the Premier, "and we don't intend to allow the railways to dilly-dally in reaching their decision. If they do, then the authority of the state can be called on to make them reach one."

Mr. LADNER: Does the Prime Minister still stand by that statement?

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: Most decidedly I still stand by it. Let me read further from the text of the article:

The Premier reiterated his assurance given at Edmonton that "the spearhead of immigration as far as his government's policy is concerned, will be the Peace River."

Continuing, the first minister reviewed the activities of the two great railways in making a survey,—

This is the part my hon. friends did not read.

—at his request, of the construction problems associated with the outlet, and added they were working together on branch line development in the Peace River area. Parliament, he felt sure, will want to know what these railway companies think about the matter before taking any action. Until they finish their surveys, it will be difficult to get the house to act.

My hon. friends did not read that part of the speech, and in deliberately omitting it they were seeking to put both myself and the government in an entirely false light. What I said at Vancouver I adhere to at the present time.

Mr. LADNER: May I ask a question?

Mr. MACKENZIE KING: My hon. friend will please keep his seat. I did not interrupt him, and I have very little time in which to finish my remarks. If he so desires I shall be just as pleased to move the adjournment of the debate and conclude another day. What I had in mind, as I expressed it here, was that parliament would wish to know—and in speaking of parliament I refer not only to this House of Commons but also to the other chamber through which all measures have also to pass—before it either granted charters to the companies or made the necessary appropriations for a railway of the character described, what the railway companies themselves thought about it. I submit that if the government attempted to bring forward a project for a railway from the Peace River country to the Pacific ocean or to connect at any given point or points with other lines which run to the Pacific; without having in its possession the views of the two railway companies and their reports upon the surveys which they had made, it would be very difficult if not impossible to get the necessary support to pass the legislation through parliament.

Happily, in more particulars than one, we as a government, are in a different position to-day from the position we have been in during previous years in our dealings with many matters in parliament. We can with some degree of certainty, when we bring forward a measure which we know to be

supported by necessary information and essential consideration, undertake to say that in all probability the purpose of the measure will be implemented in its course through both houses. I want to repeat here what I said at Vancouver: We have asked each of the railway companies to expedite the surveys which they are making. I have spoken personally to Mr. Beatty, president of the Canadian Pacific Railway Company; I have spoken personally to Sir Henry Thornton, president of the Canadian National Railways. The present Minister of Railways and Canals said to-night that he also has expressed the views and desires of the government to the presidents of these two systems, and the former Minister of Railways and Canals, the present Minister of Finance, made a similar statement. We all have impressed upon the presidents of these systems that it is the desire of the government to have this matter expedited and the surveys completed, that it is our view that at an early date agreement should be arrived at by the two companies as to the route which they will jointly recommend, and that failing agreement by them the government itself will undertake to make a decision.

Since it is eleven o'clock, Mr. Speaker, I will move the adjournment of the debate.

Motion agreed to and debate adjourned.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Tuesday, May 6, 1930.

The house met at three o'clock.

REPORTS OF COMMITTEES

Sixth report of the select standing committee on banking and commerce.—Mr. Hay.

Third report of the select standing committee on railways, canals and telegraph lines. —Mr. Cahill.

PETITIONS

BRITISH COLUMBIA ALBERTA WESTERN RAILWAY COMPANY AND HUDSON BAY WESTERN RAILWAY COMPANY

Mr. ALFRED GOULET (Russell) moved:

That the petitions of John Franklin Crandell, and others, presented on the 1st instant, praying for the passing of an act to incorporate the British Columbia Alberta Western Railway Company, and also an act to incorporate the Hudson Bay Western Railway Company, together with the report of the clerk of petitions thereon, be referred to the select standing committee on standing orders for the purpose of considering the suspension of order 92 in relation thereto.

Motion agreed to.

PRIVILEGE—MR. KENNEDY

Mr. D. M. KENNEDY (Peace River): I rise to a question of privilege. The Prime Minister (Mr. Mackenzie King) is reported in Hansard, page 1807, as having yesterday made the following statement:

> If hon. gentlemen opposite between them wish to draft an amendment with a view to trying to embarrass the government politically, that is their own lookout, but I can tell the people of this country and particularly the people of western Canada that as far as this Peace River outlet is concerned, the government does not believe that tactics of the kind will help the project.

I do not think there is anything wrong in an hon. member seeking the advice of any other hon. member, but it happens in this case that I did not submit the amendment to any other member of the House of Commons, and until it was read from the Chair I believe the Speaker was the only member of the house who knew what the nature of the amendment was.

HIS MAJESTY THE KING

TWENTIETH ANNIVERSARY OF ACCESSION TO THE THRONE OF GEORGE V.

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, this being the twentieth anniversary of the accession to the throne of His Majesty, King George V, I felt it would be the wish of hon. members of parliament and of the people of Canada that some word of greeting and good wishes should be extended to His Majesty. Accordingly, at an early hour this morning I sent the following message to Lord Stanfordham, Buckingham Palace, London:

Ottawa, May 6, 1930.

Will you kindly convey to His Majesty the King the following message:

On this twentieth anniversary of your Majesty's accession to the throne may I be permitted respectfully to tender the cordial greetings and good wishes of the government, the parliament and the people of Canada for a long and happy continuance of your Majesty's reign. The British commonwealth of nations is only beginning to understand how much it owes to the position and personality of its reigning sovereign. In the great war your Majesty stood as the symbol of the common effort of all your subjects, the rallying centre of all the forces that fought in the name of British liberty. In the difficult post-war period of reconstruction, your Majesty's understanding and steadfastness have been an indispensable factor in the solution of the many problems which arose. The Canadian people offer their fervent hopes for the health and happiness of your Majesty and her gracious Majesty the Queen.

W. L. Mackenzie King,
Prime Minister.

Shortly after half past nine o'clock this morning, I received the following cable:

Buckingham Palace London

May 6, 1930.

The Right Honourable W L Mackenzie King
Ottawa

I warmly thank you, the government, parliament and people of Canada for your greetings and good wishes on this the 20th anniversary of my accession. I heartily appreciate the sentiments of gratitude and devotion which inspired the terms of your message.

George R I

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I need hardly say that the message which the Prime Minister transmitted this morning to London represents the sentiments not only of those with whom he is associated but of those who sit to the left of the Speaker, in fact, of all parties and members in the house as well as of the people of Canada, and I join with the right hon. gentleman in trusting that His Majesty, who has rendered great and distinguished service not only to his own empire but to mankind, may be long preserved, that in peace and happiness he may continue to reign over a contented people.

IMPORTATION OF FURNITURE

On the orders of the day:

Mr. F. WELLINGTON HAY (North Perth): I see the Minister of National Revenue is in his seat. As I represent a section of the province of Ontario in which a number of people are interested in the manufacture of furniture, I would like to ask if the minister or his department is aware that very large shipments of American furniture are coming into Canada, and have been for some considerable time, and if there is not anything that the minister can do to assist those who are engaged in that industry in Canada by applying either the dumping clause or some other clause.

Mr. CHAPLIN: What is the duty on furniture?

Hon. W. D. EULER (Minister of National Revenue): The department has had complaints of importations of furniture from the southern states at prices which were, it was claimed, less than cost. The department had certain investigations made, and these claims were to some extent substantiated. As a result of that, believing that fair market value means at least the cost of goods, instructions have been given to re-appraise furniture that is coming from that source pending further investigation.

Mr. ARTHURS: Will the minister apply the same rule to other importations into Canada?

Mr. EULER: If conditions were precisely the same.

Hon. R. J. MANION (Fort William): May I ask the minister if it is true, as I have heard it stated, that the re-appraisal means an increase of about 40 per cent in the valuation of the lumber which is coming from certain states which compete in the manufacture of lumber with that section of Ontario whence this question was raised.

Mr. EULER: There is no re-appraisal of anything but furniture.

Mr. MANION: I meant furniture. What is the increased value put upon furniture.

Mr. SPEAKER: I would remind hon. gentlemen on both sides that the budget debate will commence shortly.

LACASSE AND FONTAINE

On the orders of the day:

Hon. ERNEST LAPOINTE (Minister of Justice): My hon. friend from Fort William (Mr. Manion) asked a question yesterday concerning the case of two men, Lacasse and Fontaine, who are now serving a sentence in Kingston penitentiary. I have inquired into the matter. It appears from press reports that three other men have admitted participation in the robbery in question, subsequently pleaded not guilty, and then later pleaded guilty, and two of them are now awaiting sentence. The case has been referred to by the press as one of the most puzzling in local police annals. Be that as it may, the Department of Justice has as yet received no official report from the attorney general and action of any kind by the Minister of Justice while the case is sub judice would appear quite inadvisable and might be interpreted as an interference with the jurisdiction of the courts or the administration of justice, with which the attorney general of the province is charged. No doubt as soon as the situation is cleared up the department will be advised accordingly by the provincial authorities, and there will then be no delay in reaching whatever decision may seem justified in the circumstances as they then appear.

Hon. R. J. MANION (Fort William): In view of the fact that the Minister of Justice (Mr. Lapointe) admits that these other two men have pleaded guilty and are now awaiting sentence, surely it is only justice that the two men who have apparently been unjustly

condemned to the penitentiary should be given the benefit of the doubt and be released from the penitentiary until this case is settled.

Mr. LAPOINTE: Unfortunately I have to await the report of the attorney general rather than act upon a report from my hon. friend.

Mr. MANION: Then I think we had better change some of the laws of this country.

Mr. LAPOINTE: May be.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Thursday, May 1, consideration of the motion of Hon. Charles A. Dunning (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, when this debate was adjourned a few days ago I had made a few preliminary observations with respect to the statement then made by the Minister of Finance (Mr. Dunning). I am sorry that I cannot call it a budget statement. When this house meets, it has been its custom for years to set up two great committees. One is the committee of supply, and the other is the committee of ways and means. The committee of supply is to determine what sums shall be expended by the government of the day during the fiscal year under consideration. The committee of ways and means is the committee that determines how the supply voted shall be made good, what taxes shall be imposed, what probable revenues will be raised, in order that there may be, if possible, an equalization between expenditures and revenues. I have under my hand, for instance, the speech delivered a few days ago by the Chancellor of the Exchequer in London, and when one realizes the time and effort that he took to make it apparent to that house that he had to meet a deficit, and the means to which he would have recourse for the purpose of meeting that deficit, one can readily understand why I am not now applying the term budget statement to the speech of the Minister of Finance to which we listened the other day.

If my hon. friend the Minister of Finance will turn to Murray's Oxford dictionary, he will find that the word budget is defined as follows:

> A statement of the probable revenue and expenditure for the ensuing year, with financial proposals founded thereon, annually submitted by the ministry, for the approval of the House of Commons. Sometimes put for the condition of the national finances as disclosed in the ministerial statement; also for the financial measures proposed.

In view of that definition of the word budget, a definition held in high regard in practice by every member of this house, I would think that there would be little or no difficulty in realizing that we have had no budget statement for the year ending March 31, 1931. Will any member on the opposite side of the house indicate where in the statement of the Minister of Finance one can find any estimate of the revenues for the year ending March 31, 1931? Will any hon. member deny that that is the year for which we budget, and not the year that is past? Will any hon. member deny that when the hon. Minister of Finance used the word "estimate" with respect to revenues, he was dealing with a year which had passed and which closed on the 31st of March last? So far as this house is concerned, we have had no budget speech with respect to the fiscal year now under review, and I say that I regret that I cannot congratulate the Minister of Finance with respect to that because, being an old treasurer in one of the provinces of this country, he knows that there is no province, however small, in Canada in which there would not be a budget statement submitted indicating the prospective revenues and the proposed expenditures for the year under consideration. I ask the minister where in all these pages of his speech that are now on Hansard there is a single indication of what the revenues are to be for the year ending March 31, 1931. Find it if you can. I challenge any man to find where it is in that statement, and yet you call that a budget statement. It is no more a budget statement than the speech that was made by the Minister of Finance last evening on the Peace River question is a budget statement. I challenge any member of this house to say whether he knows within hundreds of millions of dollars what the revenues of this country will be during the present fiscal year. Will any hon. member say that he knows? If he does, he will have to perform a surgical operation for the purpose of ascertaining it in the mind of the Minister of Finance.

To some this may seem a trifling matter, and yet it strikes at the very foundations of our institutions. It goes back to the earliest days when from a reluctant sovereign redress for grievances was obtained before supply was granted, and the amount of the supply that was granted was determined entirely by the ability of those who were taxed to make good that supply. For this year we know the increased charges that must be put on the taxpayers of this country under the main estimates. We have not yet received the

supplementary estimates, we have not yet had communicated to us, as we had a right to, what the charges will be with respect to statutory claims against our revenue. That has not been communicated to the house. Nor, sir, have we had communicated to us in any way, shape or form just what the charges will be with respect to undertakings with which we are connected. Yesterday we were called upon to provide $61,000,000 for our railway enterprise. But tell me where within the four corners of that document you will find any indication of just what the revenues are to be forthcoming from taxation. We do not know what the customs revenue will be as a result of the changes that have been wrought by the alterations in the tariff. These things we do not know. I submit that under the conditions that now prevail with shrinking revenues, with diminishing trade, with lower railway earnings than have been recorded within recent years of the history of our railways—I submit that under those conditions this house had a right to know what the effect would be upon the revenues of the changes made in the ways and means by which supply is to be made good. I say this further, sir, that if the hon. gentleman will take as a model those great budgets that have been delivered in times past in this house or in the British house he will find that it could not be regarded as worthy of the name unless there was an indication of the estimated results of the taxation imposed for the purpose to meet the demands made upon the treasury. That, I think, is fundamental.

Having said so much with respect to that omission—and I think there can be no question of the correctness of the observations that I have made—I now proceed for a few moments to deal with the result of last year's operations, that is, the year ending on the 31st day of March, 1930, with respect to which the minister was pleased to say that he gave estimates. No chancellor in England, no treasurer in the provinces nor in a small city would venture thus to endeavour to becloud the issue with respect to the question of the financial position of his country, or his province, or his town.

Now, what were the operations of the past year? The hon. gentleman made perfectly clear that during the past year we received large sums of money, we made large disbursements, we had a surplus and we reduced the national debt. In that we rejoice. But I should like to ask hon. members by what method do they suppose a surplus was obtained, and by what means do they suppose that the debt was reduced? There are three methods by which the revenues of this country were obtained. They were obtained, first, by taxation, secondly, by interest upon and dealings with our cash balances, and, thirdly, by receipts which came to us from reparations and from interest upon our investments. Broadly those are the three sources of the revenues of Canada.

With respect to the first, taxation, the hon. gentleman a few days ago was pleased to read to this house the results of the imposition of taxes upon the people during the year that has passed. I will not repeat those figures beyond saying this, that whatever the tax may be, it must in the end be paid by the taxpayers, and that whatever taxes are imposed for the purpose of raising the money necessary to meet the requirements made upon the exchequer must come out of the nine or ten million people who inhabit the Dominion. If hon. gentlemen will take the trouble to look at the figures they will observe that during the last few years, ever since this government came into power, we have had in most instances increasing revenues until this year when we have had a diminishing revenue. I do not say that the lessening of that revenue is very important at the moment except as indicating that we have reached a position where it is highly desirable that the greatest possible care should be exercised in the administration of our finances, and that economy should prevail not only because of the value of economy itself, but because it is absolutely essential for us to do so if we are to conduct our affairs without a deficit. For instance, had this house not a right to know what the estimated revenues would be during the current year, from excise sources? We know the money we received from those sources during the past year. We know that the legislation we have recently enacted will diminish those revenues. Had we not a right to be told exactly what the expectations of the government were in that regard? Is there any other legislature of an overseas dominion in which you could have such a statement masquerading under the name of a budget? This house had a right to know what the effect of the recent legislation will be upon the excise revenues of this country; we had a right to know what the diminishing customs revenues will be; we had a right to know what the effect of the new legislation will be upon other branches of the public service; we had a right to know what we had received from reparations, and we had a right to know whether the interest from investments might be continued during the coming year. We have not received this information, but we know what the revenues

were in years past. We have before us in a tabulated statement which the minister has placed on Hansard—which I will not take up the time of the house to read—figures indicating that during the years that are past we have increased our revenues, although the hon. gentleman says that he has diminished taxation.

Now, when I point out to the house just what has been the result of our fiscal operations during the last twelve months in connection with the revenues that come to us from other sources than pure taxation, namely, from reparations, from investments and from sources of that kind, I think it will be agreed that no statement such as that which the hon. gentleman made the other day, a statement that this country had reduced taxation, can for a moment stand the acid test of investigation. Whenever you impose upon the people taxation which produces additional revenue, you have placed a greater burden upon the people, and however cleverly you may disguise it the fact remains that it means taxation. You cannot change that. For instance, in the year ending 31st March, 1923, the total revenues of this country raised by taxation from all sources amounted to $335,453,000—without giving the odd figures; next year, $341,718,000; then came 1925 with a shrinkage of taxation revenues below $300,000,000; in 1926, slightly above $327,000,000; in 1927, slightly over $346,000,000; in 1928, slightly over $364,000,000; in 1929, slightly over $395,000,000; but last year, that is, according to the figures given to this house on Thursday last by the hon. Minister of Finance, it will be observed that we have already collected through taxation—although it may be increased when the figures are finally adjusted—$378,321,000. In other words, from taxation there was collected from the Canadian people last year a larger sum than in any year since the government came into power except one. That means that the taxation per capita was larger last year than in any year since 1922 when this government came into office.

Now, what is the purpose of endeavouring to mislead public opinion, or to induce the country to believe that the taxes have been less upon the people. The backs of the people have borne a greater burden because they have paid larger sums, and the methods by which those sums were obtained were methods peculiarly and entirely within the government's power and control; for during the last seven years, that is, since 1922, this government, and none other, have had complete control of taxation methods, and they, and they only, are responsible for the methods employed for the purpose of collecting the revenues of this country.

Let us look for a moment at what the other revenues have been apart from taxation. The other revenues of this country, were in 1930 practically the same as they were in 1923. In 1923 they were $67,600,000 and in 1930 they were $69,000,000 Those revenues came from interest on investments, from premium discounts and exchange—that is from our cash balance—from special receipts and credits—that is from the repayment of loans—and from other sources, such as post office and the grain act, which I will not include in the summary. What does that mean? It means that the interest on investments—investments, mark you—from all sources during the years this government has been in power, from the year ending 31st March, 1923, to the year ending 31st March, 1930, amounts to the very large sum of $93,270,000. The premium discount and exchange, that is, the banking operations of our country, brought us in an additional $8,629,000. From special sources, the repayment of loans, etc., we received $45,437,000, which makes a total of $147,000,000. There are other sums in addition to that in connection with British debts, and in that respect debits and credits were about equal and we will not utilize any amount at all in this statement. However we have $147,000,000 in the hands of the government from other than taxation sources for reducing the national debt of this country. That was not obtained by taxation but it was money that came from banking operations, money that came from the repayment of past debts and interest on our investments. The minister told us the other day that the total reduction in the national debt amounted to $257,000,000, commencing with the year 1925-26 because in the years preceding that during which this government was in power there was an increase in the general debt in two years. During six years the government has paid off a total of $257,000,000, including sums used for acquiring stocks and bonds for the sinking fund. They had $147,000,000 without imposing a dollar of taxation upon the people of Canada. So that the total amount raised by taxation and used in reducing the debt amounted to something like $110,000,000.

Let us see where that amount came from, and for that purpose we shall turn to one particular item, namely, the sales tax. When this government came into power the sales tax for 1921-22 was 3 per cent; in 1922-23 it was 4½ per cent; 1923-24 it was 6 per cent, and then it was reduced to 5 per cent the next

year. It remained at 5 per cent the year after, and the year after that, and in 1927-28 it was reduced to 4 per cent; in 1928-29 it was reduced to 3 per cent, and this year, 1929-30, it stood at 2 per cent, and has now been reduced to one per cent.

I wonder if the hon. gentleman realizes what the books show as to the total collection of sales tax in Canada since 1921-22. The total amount of tax collected by sales tax in that period amounted to the enormous sum of $612,556,000, in round figures. Had the rate remained at 3 per cent to the end of 1929 it would have amounted to only $424,000,000; in other words, $188,000,000 more were taken from the people of Canada by this government on the sales tax than would have been the case had it remained at 3 per cent. I wish to remind the house that these are figures furnished by the department. That is all I can say on the matter. Let me repeat the fact that the sum collected was $612,556,131.27, to be exact, and that the tax would have been $424,400,026.92 had the rate remained at what it was in 1921-22, namely, 3 per cent. You can see that there is a difference of $188,000,000, and $78,000,000 less than the amount required to effect the reduction that has been made in the national debt. So that the additional sum taken from the taxpayers of Canada by sales tax over the tax imposed by the former administration was $188,000,000, and the total reduction of debt was only $257,000,000. As I have pointed out, the amount received from sources other than taxation during that period was $147,000,000. So that the government not only has not reduced the national debt to the extent to which it has increased taxation under the sales tax, together with revenue other than taxes, but it has failed to realize that the money available for the purposes which I have indicated would have reduced the national debt by at least another $75,000,000. There, shortly, is the story with respect to the national debt. If the figures supplied by the department over which the minister himself presides are to be relied upon there is no gainsaying these facts; but, sir, there are other matters.

Mr. MACKENZIE KING: Oh, yes.

Mr. BENNETT: Well, the figures are available for the right hon. gentleman if he wishes to look at them.

Mr. STEVENS: The right hon. gentleman always wags his head.

Mr. BENNETT: I shall hand these figures to one of the page boys, so that the hon. gentleman may have an opportunity of perusing them personally.

Mr. DUNNING: My hon. friend knows where he misused the figures.

Mr. BENNETT: The figures are exactly as they are given.

Mr. DUNNING: The figures are.

Mr. BENNETT: Yes, the figures are, and I have made a correct statement. For the information of the Minister of Finance, who has raised some question about my statement, I will just put the figures on Hansard. The amount collected from sales tax in 1921-22 was $61,518,751.13, at 3 per cent. The amount which would have been collected if the tax had not been increased is the same. In the next year the amount collected at 4½ per cent was $91,262,254.13. With the same volume of business at the rate—

Mr. DUNNING: Does my hon. friend say that the department supplied the identical statement he is reading?

Mr. BENNETT: These figures came from the department.

Mr. DUNNING: My hon. friend knows that the incidence of the sales tax was completely changed.

Mr. BENNETT: The incidence of the sales tax, because it was raised to 6 per cent.

Mr. DUNNING: No.

Mr. BENNETT: Next year they raised the sales tax to 6 per cent with the result that the amount obtained was $100,990,077-80, which was twice as much as would have been raised if it had remained at 3 per cent. The three following years the rate remained at 5 per cent, producing the sums I have mentioned. That continued down to 1928-29 when it stood at 3 per cent. The total amount raised was $424,400,026.92. I shall place this statement on Hansard so that the hon. gentleman may have the opportunity to study it as I have done:

Amounts Collected from Sale Tax

	Amount collected		Amount which would have been collected if tax had not been increased
1921-2	$ 61,518,751 13	3 %	$ 61,518,751 13
1922-3	91,262,254 13	4½%	60,841,502 75
1923-4	100,990,077 80	6 %	50,495,038 40
1924-5	66,707,369 96	5 %	40,024,421 98
1925-6	74,025,093 31	5 %	44,415,055 99
1926-7	82,305,670 60	5 %	49,383,402 36
1927-8	72,100,244 12	4 %	54,075,183 09
1928-9	63,646,671 22	3 %	63,646,671 22
	$612,556,131 27		$424,400,026 92
Amount of sales tax collected			$612,556,131 27
Amount which would have been collected if tax had not been increased			424,400,026 92
Amount raised on account of increase			$188,156,104 35

But, sir, that is not all. It must have occurred to the hon. members of this house that the government of the day imposed additional taxation upon the Canadian people since it came into power in the year 1922. That additional taxation however has to some extent been removed. Some of the nuisance taxes have been abolished. For instance, the tax on telegrams has been taken away; the tax on steamship tickets, receipts, promissory notes, and the graduated taxes on cheques have also been abolished. These are taxes most of which were imposed by the administration and which have now been taken away. However, as I have indicated the result is that had the sales tax remained as it was there would have been $188,000,000 less collected from that source alone. My hon. friend has said that there has been a change in the incidence of the sales tax. Essentially the principle was a tax on sales, and that tax which was at one time increased to 6 per cent has been reduced to 1 per cent. By the way, it is amusing to hear the "chancellor of the exchequer" talking about reduction in taxation. He said: Look what we have done this year; we propose to cut the sales tax in half. Hon. members must know that what they did was to reduce it by 1 per cent.

Mr. DUNNING: No. no.

Mr. BENNETT: Yes, just 1 per cent.

Mr. DUNNING: No, no, it was reduced by 50 per cent.

Mr. BENNETT: He has cut it in two, and if my calculation is correct two into two goes once. All I can say is that the hon. gentleman himself made the observation that he would cut the sales tax in two.

Mr. DUNNING: That is correct.

Mr. BENNETT: And it will now be 1 per cent. Previously it was 2 per cent. That is all there is about it. I merely mention that in passing because it accentuates the point I desire to make, that notwithstanding the alleged decreases in taxation it must be remembered also that the government increased taxation, and the result is indicated by the revenues to which I referred. How else did you get the money if you reduced taxation to a greater extent than you increased it? From where did the money come?

An hon. MEMBER: Bigger business.

Mr. BENNETT: But the figures show a diminution of business; the figures show that during the year ending March 30, 1930, there has been a diminution of the national business; the volume of trade has lessened and the adverse balance against Canada is over $100,000,000. That is the answer.

Now, sir, as I have said I do not propose to deal with the national finances beyond traversing what the hon. gentleman said the other day. When he claims great credit for the reduction of taxation I only venture to remind him again that last year the taxes were larger than in any single year but one since this government came into power; that the amount of diminution of the national debt is only $110,000,000 out of moneys that did not come from interest on investments, from banking transactions and from special sources such as the repayment of our debts. That does not take into account the matter mentioned by the right hon. Prime Minister in connection with the collection of the $83,000,000 of British indebtedness through the late Mr. Larkin, which really consisted of an adjustment as between debits and credits. They surrendered certain bonds, which were cancelled, which they held in connection with the debt we owed

to them, and so the debt was wiped out. That was the end of that transaction.

I will leave that for the moment, for I think it serves no useful purpose beyond just pointing out the facts. The public can draw the inference; public opinion can decide. Those who have to contribute the taxes know they had to raise $369,000,000 last year from taxation, and they know this was a greater amount than was raised by this country in any year but one since the Liberal party came into power. So we may leave that point, with the statement that the income tax has been increased in its incidence, because dividends were taxed by this administration that previously had not been taxed. Under the former administration they were taxed in the hands of the companies and then were free from normal taxes when in the hands of the taxpayers, but now they are taxed. However, there has been a reduction of 10 per cent in two years and there have been other adjustments which amounted to increases, so by increasing taxation the government was able to take up the slack so that the increases and the decreases about equalled each other and the amount taken by taxation from the people of this country remained at the figure I have indicated, about $370,000,000.

That is a statement of the situation of this country at the end of March, 1930. What was the condition of trade at that time? Trade, as the hon. gentleman said, is a decidedly important matter. I turn to the summary of trade for the twelve months ending in March of this year and I find that the total trade of this country with the British Empire during that period amounted to $632,446,000, in round figures. As the hon. gentleman indicated the other day, I find that this was a very great diminution from the volume of trade during the preceding year. I also find that the volume of trade with the United States of America was $1,362,423,000 disregarding the odd dollars, which represented a decrease in importations from the United States of a little less than $21,000,000 and an increase in exports to the same country of a little less than $15,000,000. It is not necessary to retraverse the figures which the hon. gentleman already has indicated as showing the adverse balance of trade of this country during that period; it is sufficient to say that the importations into Canada show a distinct increase of something more than $100,000,000 over the preceding year. There is a school of economists who say that it matters not if a country has an adverse balance; there is a school of thought in this country which writes often to the public press indicating that is desirable to have greater importations than exports, that in any case the imports pay for the exports and that there must be an adjustment of these in some way in order that the country may flourish at all. Well, we live side by side with one of the greatest countries in the world, where there are 120,000,000 people living under one form of government. I find that last year the favourable trade balance of that country was upwards of one billion dollars; the year before it was also upwards of one billion dollars, and during the periods of time which we have had under discussion the balance of trade in the United States has fluctuated between one-half billion dollars and upwards of one billion dollars.

It is not necessary for me to express an opinion as to what may be the true view with respect to the matter, but this I will say: If the late Minister of Finance and his predecessors were correct in claiming that a favourable balance of trade was an indication of the flourishing condition of this Dominion, then it must be that an adverse balance of trade equally is an indication of a poor condition in this country. There can be no half way position about it. Certainly, sir, it is somewhat difficult to have it both ways; you cannot do it. If last year hon. gentlemen opposite cheered so lustily, as I recall they did, when the late respected minister declared that we had a favourable balance of trade, I wonder what their views are now. If the government created the favourable condition last year then the government is equally responsible for the adverse condition now; if the government claims credit for large harvests and favourable trade balances, equally it must accept responsibility for poor prices and adverse trade balances.

An hon. MEMBER: A poor harvest.

Mr. BENNETT: I beg your pardon? Do not hesitate to speak up. In that regard I point out a matter which hon. gentlemen opposite to the right of the Prime Minister always should recall, that during the campaigns which they conducted in 1925 and 1926 in western Canada they laid great stress upon the customs duties and the necessity of lessening them. Yet for the twelve months ending in March, 1929, the total duty collected, according to the document I hold in my hand, was only $479,000 more than $200,000,000, while for the year ending March 30 last it amounted to $199 011. So that despite the circumstances to which these hon. gentlemen alluded in their election campaigns, the great basis of taxation from the Canadian people still remains the customs taxes, and during each of the last two years about $200,000,000

has been taken from the people of Canada by those taxes, although hon. gentlemen opposite led us to believe that if only they were able to make their influence felt upon the government of the day the customs taxes would almost disappear and direct taxation would take their place.

Mr. VALLANCE: My hon. friend will admit that the influence was felt, would he not?

Mr. BENNETT: If by that statement the hon. gentleman is saying they were able to coerce a reluctant government into acknowledging them as adherents, I suppose it was felt, and I apprehend that the government would say it was not only felt but was apparent.

At any rate, we may now leave for the moment the question of our trade. It would be a very interesting matter to discuss at length, but it would serve no useful purpose. The Minister of Finance has indicated that we are now confronted with an adverse trade balance, with diminishing trade and falling revenues, and that we must prepare for a situation which some of us ventured to point out to the house would one day arise. Are there any hon. gentlemen here who recall that I was received with some scoffing when I endeavoured two years ago to point out that the era of speculation in this country was reaching a stage where it would involve Canada in very great losses. If the gentlemen are interested in reading Hansard, they will find the warning which I then gave. I stated at that time that those of us who felt these things to be true might be jeered and laughed at, but the moment might come when people would look back and say: At least there were some public men who had courage enough to point out to the people of Canada what would be the inevitable result of overinflation. I little dreamed at that moment when I listened to the then Minister of Finance, that I would hear another minister of finance rise in his seat and point out to the people of this country that one of the difficulties we are now labouring under is the great fall in values on the stock market.

The fall in values did not touch this government except in so far as it may have touched the mining tax which my hon. friends yonder were so insistent upon. The shrinkage in values upon the exchanges of this country from the high point in 1929 to the low point in 1929, excluding bonds and debentures, amounted to very nearly $5,000,000,000. That shrinkage included oil stocks, speculative mining stocks, and various securities of that kind traded in on the regular exchanges as well as on the curb exchanges. If the Minister of Finance had pointed out that that did not in any sense touch the matters with which he was dealing, but that it restricted the credit facilities of the people, it would have been within the mark.

Mr. DUNNING: I said that.

Mr. BENNETT: That is not the way it was put; no doubt the hon. gentleman intended to say that. The collateral securities with which men receive credit from financial institutions, whether they be banks or otherwise, were lessened to that extent and therefore there was a lessening of the borrowing power of the people. Of course, it involved enormous losses in other instances; it involved a change in capital values and men who thought they had something of worth found themselves suddenly confronted with something which was worth little or nothing and upon which they could not borrow. This did not touch the national life of the country except in so far as it restricted the credit power of the people. However, a few moments later the hon. gentleman said that he was happy to say that the credit power of the people had not been interfered with and that the monetary institutions had been able to take care of every reasonable demand made upon them. It would then follow that this great restriction and contraction in the value of stocks did not in any sense affect the borrowing powers of the people because the credit facilities at their disposal were sufficient to meet every reasonable demand made upon them. That appears to be the situation, as indicated by the hon. gentleman himself.

Leaving the matters of trade and debt, we come to the real purpose of the motion made to you, Mr. Speaker, that is that you do leave the chair to enable the house to resolve itself into a committee of ways and means by which this House of Commons under our constitution and under the direction of the government of the day will indicate to the country the methods and means it proposes to resort to for the purpose of providing the funds necessary to carry on the business of Canada. That is what a committee of ways and means is, and I again come back to the fundamental principle, that this house should not be asked to go into committee of ways and means unless it knows how much money it has to raise. Up to the present moment that has not been indicated, except as to the interest on the national debt, the service of the debt, the items mentioned in the main estimates and the statutory obligations placed upon the Dominion. How does the government now

propose to raise revenue? That is the question for consideration. The Minister of Finance came here, as did the Minister of Railways (Mr. Crerar), as great advocates of the principle of free trade. Let us assume that they did not come here as advocates of free trade; that they came here as advocates of tariff for revenue. They cannot get away from that, although they may try to escape free trade. The Minister of Finance comes here as an advocate of protection. I shall deal with the case of the Minister of Railways later; it is unique and stands separate from any other case in this house. He left the government for conscience sake; he came back to it because of lack of conscience.

Now, sir, we come to an investigation of the conditions under which the government proposes to raise its revenue. First of all it proposes to have recourse to customs duties. Then it proposes to have recourse to excise duties as heretofore in force, because no changes have been made. It then proposes to ask from the incomes of companies and individuals a contribution to the national revenue by way of income tax and it has in addition the non-taxable items to which I have referred, namely, reparations, interest on investments, and banking transactions.

The changes with respect to the imposition of customs duties are numerous and far-reaching and involve a very careful consideration of the whole economic structure of the country. They divide themselves into three classes: those imposed against the world, those imposed against the British Empire and those imposed against countries with which we have treaties. With respect to the trade of this country apart from the trade with the British Empire, the government has made substantial changes in the tariff. The hon. gentleman read them the other day and as I listened I realized that although the voice be the voice of Esau, the hand is the—

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: I mean to say that although the voice be the voice of Jacob, the hand is the hand of Esau. For the moment my scripture was a little mixed, but who, contemplating such a budget, would not find that happening?

As I have said, the government put forward tariff and customs proposals, and I wonder if anyone hearing the minister read them had any difficulty in determining the author and origin of these proposals. Those of us who remember the bond guarantees given in days gone by by the western provinces to the Mackenzie and Mann enterprises, recall that at the end of the statement issued there often appeared the name "W. H. Moore, Secretary." We have no difficulty in realizing that it is the same W. H. Moore, chairman of the tariff board, who is speaking through the Minister of Finance. Whatever difficulties there might have been in that regard were entirely removed as he proceeded with his statement, for this reason: hon. members will recall that when flotations were made upon the market of securities guaranteed by the provinces, there were no railways then built. In fact the bonds in connection with the railway from Calgary south to Macleod were sold, but the railway has not yet been built although that is over fifteen years ago. When one realizes the principle that governed the issue of prospectus one has no trouble in appreciating the origin and the author of this budget on the customs side of it. It will be seen there is no indication as to what the result of these changes is to be or what revenue will be earned. That was always the case with the sale of these guaranteed securities and while the secretary of the Canadian Northern at that time was always sure to have these securities underwritten and guaranteed at least by the provinces, in this instance he substituted in some cases the Conservative party for the province in the guarantee that the hon. gentleman has given as to the benefit to be derived with respect to some customs items.

Let us examine the underlying principles in connection with the budget. There are changes in some five or six hundred items. It is said that the number of free items has been vastly increased and that there have been great changes in many of the schedules. Suffice it at this time to say, as was said in the British House of Commons the other day, that when we consider these matters in committee we must necessarily deal with them in detail and then the minister will have to be prepared to furnish us with information as to the effect on the revenue in any particular case where there has been a change in the customs duties. Let us however deal with a few of them, because they become somewhat important.

The iron and steel schedules, the minister said, were perhaps the most important that would be considered by the house. They are very important; they have been important now for seven years, for more than seven years, and I assume that were it not for the fact that our constitution provides that there must be a general election every four or five years, they would not be important yet so far as the government is concerned.

In the field of manufacturing iron and steel constitute a basic industry. They enter into every branch of the industrial activities of the

country. Everyone in Canada is affected by them and the first question we have to ask ourselves in connection with these customs changes is this simple one: Will these tariff changes aid in the development of the natural resources of Canada: Will a single man more obtain employment in Canada than before these changes were made? "In Canada" are the important words to remember. In the absence of information as to what the effect upon the revenue may be, it is only necessary for me to repeat what the Conservative party has on previous occasions said so frequently, namely, that we desire by every means in our power to aid and assist in the development of the great natural resources of this Dominion. Those resources, varied and rich as they are, must be developed if we are to take our rightful place amongst the self-respecting and economically independent nations of the world. Nearby great deposits of iron ore we have coal; we have limestone for fluxing; we have, so far as iron and steel are concerned, all the resources that go to make a great nation. About a year ago I visited the great rolling mills at Sydney and I saw steel rails being rolled. As an hon. gentleman reminded us a few days ago, I saw steel products being loaded for transportation to New Zealand. Some time ago I saw at the Soo great mills rolling steel rails of eighty pound sections or greater and I saw some structural steel being manufactured. At another point I saw nails and other articles of iron and steel being produced. I realized then how great and important this industry was. Is a farmer to build a house on the prairies? He must have recourse to iron and steel. Is a great building to be constructed in a city? Recourse must be had to angle iron and structural steel to give it strength. In this way you find that every activity in the Dominion is linked up with the iron and steel industry.

When the minister said the other day that $120,000,000 were being paid for wages to this industry I realized its greatness, its importance and the far-reaching consequences of its development. No one who is familiar with the history of this country will fail to remember the great struggle which was made by Sir Charles Tupper, in which he was later assisted, it will be recalled, by Mr. Fielding, for the development of an iron and steel industry on the island of Cape Breton. But who, in dealing with a matter of this kind, will venture to forget for a moment the report of the Duncan commission which was made in September, 1926, with respect to that industry? This is 1930. The session of 1926-27, the session of 1928 and the session of 1929 went by, and now in 1930 some relief is to be afforded by placing a bounty of 49½ cents per ton on coal used for the purpose of producing primary steel and iron. That was demanded not to-day nor yesterday, but in 1926, and ever since that time we have endeavoured to induce the government to have regard to their obligations in that respect. Have they done so? They have not. Why now suddenly do they yield to what was a just claim four years ago or more? Why is it only to-day that this is done? Why was it not done years ago? Someone has said that in matters of this kind you have a death-bed repentence and the malefactor who died at the beginning of our civilization found heaven quite as well as one who had espoused the Christian cause all his life. But may I remind the hon. gentleman that that is not quite a sound analogy, for there were five, it will be remembered, who were unwise enough to be too late in trimming their lamps.

Mr. DUNNING: The hon. member is mixing malefactors with virgins, is he not?

Mr. BENNETT: I am glad to see that the hon. gentleman's biblical knowledge is still not wholly impaired, but it is a little doubtful yet.

Mr. McLEAN (Melfort): Burning.

Mr. BENNETT: Not burning, trimming, and certainly there has never before been greater evidence of trimming on a budget than on that which we are now discussing. I wish to point out what the Duncan report was in connection with this matter. It will be recalled that Sir Andrew Rae Duncan and his committee declined to enter into any discussion with respect to political matters. They said that they were not in a position to deal with the political phase of the situation, but that certain representations had been made to them. May I read the words, in order that they may be placed on Hansard, and then I will request hon. gentlemen to ask themselves whether or not in this tardy recognition of a claim four years after it had been adjudicated upon and they were directed to meet it, they have done justice to the maritimes. Paragraph 23, page 36, of that report reads:

> Several features of the customs tariff in its relation to coal were brought to our attention, both by the government of Nova Scotia and by the operators of the coal mines. These we feel ourselves precluded from dealing with, since they are a matter properly to be considered by the Tariff Advisory Board; but we may be permitted to say that we are impressed with the need for reconsideration of the customs tariff in its relation to coal, anthracite and coke, and we recommend that the Tariff Advisory Board should be asked to give immediate consideration to the subject.

Not three years later, not two years later, but that immediate consideration be given to the subject, and the only authority under the present regulations who could seek the opinion of the Tariff Advisory Board was the government itself. For three and four long years this government has paid no attention whatever to the recommendations of the Duncan report, has entirely failed to observe its terms, and now it regards the recommendations made in September, 1926, for immediate action as having been carried out by action taken in May, 1930.

I turn to the item of steel and the customs tariff. This is dealt with in paragraph 25, page 37, of the report. It reads:

> It was submitted that the tendency of the tariff, as affected by successive alterations, has been to lessen the protection upon the primary products of iron and steel and to encourage their importation from other countries as being the raw materials of iron and steel-fabricating and finishing industries in Canada.
>
> In respect of this matter, we do not conceive it to be our duty to express any opinion, since the question is, as we were informed by the chairman of the Tariff Advisory Board, who met us at our request, at the present moment under the consideration of that Board. But we do regard it as our duty to record that the significance of this industry to the maritime provinces was forcibly brought home to us, not only in the manufacturing towns we visited in the maritimes but also throughout the agricultural districts of the maritimes. We record this in order to emphasize the need for prompt action.

Prompt action! In that regard, sir, let me point out again that this party, the Conservative party, is the party that took the onus and responsibility for urging that maritime claims be considered by this house. It is too long to review that now except to say that in the end it resulted in the Duncan commission being appointed, and before that commission there appeared representatives of the various parties affected, and as a result of the work of that commission certain recommendations were made for immediate consideration for prompt action. Is it immediate consideration, is it prompt action, when taken four years after the report was submitted? What has happened in the meantime Let the Minister of National Defence (Mr. Ralston) say that in the meantime there has not been unemployment in the maritimes, that conditions have not existed there that might have been remedied before this. If the remedy applied to-day is to benefit the steel industry, why was it not applied three years ago? A government is the true custodian of the national welfare, the true author of great national policies. Here we have a government which in 1930 says: We have now solved the problem, and here are the benefits that will accrue by reason of the action that we are now taking. It takes this action now after three years with all the resultant injuries to this country, without moving a hand to remedy the conditions. Is that their idea of government? Is that the reason why Mr. Cromie, who spoke here yesterday, sent throughout Canada an advertisement directed to the Prime Minister, headed "Seven Years Too Late"?

Sir, let me remind you that this country is at the moment faced with conditions which it has not had to face for many long years, conditions which are admitted by the Minister of Finance and by every student of economic conditions. The strength and vigour of this young country will respond if the people to-day are given an equal opportunity with their competitors to assert themselves. Instead of in the days of plenty having the opportunity afforded to them to prepare for the conditions that are now upon us, instead of the great steel industry being strengthened as it should have been not only at the Soo, in the maritimes, and in Upper Canada, by the application of principles which the government now say is the panacea for our ills, instead of that being done at a time when the industry might have been enabled to prepare for the conditions of hardship prevailing to-day, only now when the tide has turned does the government come along and say: Here is the remedy to apply. Is that their conception of government? Is that the idea that the Prime Minister has with respect to this matter? Let the people answer.

Some hon. MEMBERS: Hear, hear.

Mr. CHAPLIN: Bring on your election.

Mr. BENNETT: Let me turn for a moment to the Consumers' League, the Consumers' League which during the last summer has been sending literature broadcast throughout Canada, to western Canada under the frank of the Minister of the Interior (Mr. Stewart), and to other parts of this country under the frank of other ministers. That literature I have in my possession. Of that league the hon. gentleman who just applauded was a member. The hon. member for Swift Current (Mr. Bothwell) was the admired president at one time, and I believe that he is yet. Let us see where the Consumers' League stands to-day.

Mr. VALLANCE: Do not read it. It won't do you any good.

Mr. BENNETT: Here is the last letter issued by the league, by R. J. Deachman, dated

April 28, 1930. This is the way in which he contemplates the budget that is to come:

Taking a guess at the budget has been a popular amusement for some time. One guess is as good as another. There is no reason why people should not find amusement that way. Conservative papers are quite sure what the document will contain. It will in their opinion be a protectionist budget—so strongly protectionist that only the modesty of Mr. Bennett will prevent his acceptance of it with cheers and a glad amen!

Now I read these observations, which will carry great balm and solace to the Minister of Finance:

It will not be thus that the budget will be revised. Minor upward changes may take place. In trying to adjust a tariff downward it would be remarkable if there should not happen to be odd items which called for the reverse process. The general trend of the budget, however, will be downward, not upward. It will be thus because this is a Liberal government. No Liberal government could walk up to the penitent bench and pretend conversion at the request of Mr. Bennett or sell its convictions to the highest bidder and expect to cash in on the transaction.

And mark you, sir, that is after dealing with the iron and steel schedules. The correspondent deals with the profits of the British Empire Steel Corporation, of the Steel Company of Canada, and of the Soo enterprise, and he says in conclusion that there will be a downward revision of the tariff. Did I hear some hon. gentleman cheer that sentiment? Did I hear some hon. gentleman cheer the idea that this was a downward revision? Let me read what the hon. Minister of Railways and Canals (Mr. Crerar) who left the administration of Sir Robert Borden, and whose resignation in such touching terms I have under my hand, said at the time of his resignation, dated June 4, 1919, not quite eleven years ago. Let us read his own words, always desirable:

My dear Sir Robert,—

The government, in its consideration of the budget to be placed before parliament tomorrow, has reached, I take it, definite and final conclusions as to the form it will take. As you are aware, I am not in accord with it and therefore cannot support it, either in the house or in the country. Having reached this decision, there is only one course for me to follow, and I therefore tender you herewith my resignation as a member of the government. The reason for my decision shall be given more fully when the subject is under discussion in the house.

Then follow other paragraphs. He gave his reasons in the house why he could not stand a $3 tariff or less on steel. He could not stand the tariff of $3 on iron and steel; but he swallows the $6 one now proposed.

But that is not all. In days gone by the party now sitting to the left of the Speaker, has been charged with being a high protectionist party. Look at the schedule here. Look at cast iron pipe.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Why do you laugh? Look at cast iron pipe,—the duty has been raised only 100 per cent. When did you ever hear of a Conservative government that raised the duty on iron and steel products 100 per cent.

An hon. MEMBER: Never.

Mr. BENNETT: Now, sir, in this schedule the government have raised that duty 100 per cent. What has the hon. gentleman to say about it? Does he resign or stay? Where is the hon. gentleman who in 1925 and 1926 as premier of Saskatchewan painted in glowing terms the evils of protection? Why, he is here and raises the tariff 100 per cent. Another item is raised 80 per cent, another only 60 per cent. And these are the good old days of low free trade tariffs! We must not overlook in that regard that the dumping duties still obtain. The little byplay this afternoon was so encouraging to those who desire to secure protection.

Mr. CHAPLIN: Especially on furniture.

Mr. BENNETT: Of course, on furniture with a protection of only 30 per cent. Now we must save it from dumping. Just imagine low-priced furniture from the southern states, where labour and wood are cheap, coming in here to interfere with the 30 per cent industry of the Minister of Trade and Commerce (Mr. Malcolm).

Mr. CHAPLIN: The Minister of Railways (Mr. Crerar) can stand for that too.

Mr. BENNETT: I am coming to that too. And the Minister of Railways sits cheek by jowl now with him without thinking of resignation, although he was not asked to undergo any such great offence to his reason and intelligence on a former occasion in 1919 as he now is. He accepts it all and glories in it. Oh, well, those who have read Pilgrim's Progress may still have hope for him.

Now, sir, there are several hundred items dealing with iron and steel. I saw some alloys of steel being made last year at the Soo, and the men there told me that those alloys could not possibly be produced in open competition with the plants engaging in mass production in the United States. I assumed that that argument influenced the government as it did me, and that the 5 per cent surtax placed on

alloy steel will enable the Soo people to carry on their business. I read in the paper the day before yesterday that the great United States Steel Corporation would probably open a mill at Ojibway, across the river from Detroit, by reason of this tariff, and that at the Soo probably a new mill would be erected for rolling structural and angle steel. How splendid a prospect! But I want to ask the government what they have been doing the last nine years that they did not do it in 1922? If this surtax will bring a new steel mill to Ojibway and another to the Soo, giving employment to Canadian working men, to be fed by Canadian farmers, where was the government nine years ago; why did it not do then what it has done now? That is the question the Canadian people are asking, those who had to seek employment elsewhere, those who had to leave Canada. I found at the Soo mills a man from Nova Scotia. He said to me: "I am back here to work in Canada. I have been working during the last two years in steel mills in Pittsburgh, making commodities to send to Canada. I am here now, but I don't know how long I can stay here under the conditions that now exist." I hope this customs tariff makes it possible for him to remain in Canada. But I should like to ask the government, what do they think of the responsibility that is theirs for not doing what would have brought us a new mill at Ojibway and another at the Soo any time during the last nine years? Go and tell your constituents that have had to seek a livelihood elsewhere than in their own country that but for the supine indifference of your government they would have had employment at home any time during the last nine years.

With relation to the iron and steel industry in all its complicated schedules, I have only this further to say. In committee we will have the fullest opportunity to hear explanations with respect to every item, the relation of one item to another, and the revenues that may be expected from the application of the tariff in the particular way indicated. It would be a waste of the time of this house for me to endeavour to go over these items in detail. It suffices to say that a large number of the items which appear to be free when coming from Great Britain under the British preference are items that never have been imported from any part of the British Empire. I think it well to place upon Hansard a fair statement with respect to the situation. Let us look, first of all, as to what is involved in the British preference. Let us see exactly what it means. There are some hon. members in this house who think that when the words "British preference" appear, they mean Great Britain, and Great Britain only. Well, let us remove that illusion from their minds. I have taken the trouble to secure from the government a statement of the countries to which these British preferential tariffs apply. Let me give them to the house:

(a) the United Kingdom;
(b) the British colony of Bermuda;
(c) the British colonies commonly called the British West Indies, including the following.—
the Bahamas;
Jamaica;
Turks and Caicos islands;
the Leeward islands (Antigua, St. Christopher-Nevis, Dominica, Montserrat, and the Virgin islands);
the Windward islands (Grenada, St. Vincent and St. Lucia);
Barbadoes;
Trinidad and Tobago;
(d) British Guiana;
(e) British India;
(f) Ceylon;
(g) Straits Settlements;
(h) New Zealand;
(i) Union of South Africa;
(j) Southern Rhodesia;
(k) any other British colony or possession admitted to the benefits of the British preferential tariff in Canada, in the manner hereinafter provided;

Provided, however, that goods entitled to the benefits of the British preferential tariff shall be accorded such benefits when such goods are shipped on a through bill of lading consigned to a consignee in a specified port in Canada when such goods are transferred at a port of a British colony or possession not enjoying the benefits of the British preferential tariff, and conveyed without further transhipment into a sea or river port of Canada.

Extension of preferential tariff to other British countries as follows:
Swaziland,
Basutoland,
Bechuanaland Protectorate,
Northern Rhodesia,
Nyasaland Protectorate,
Uganda Protectorate,
East Africa Protectorate,
Protectorate of Northern Nigeria,
Colony and Protectorate of Southern Nigeria,
Gold Coast,
Sierra Leone,
Gambia,
Somaliland Protectorate,
Federated Malay States,
British North Borneo,
Sarawak,
Brunei,
Mauritius and dependencies thereof,
Seychelles,
St. Helena,
Ascension,
Friendly or Tonga islands,
Fiji,
Falkland islands,
British Honduras.

In effect on and after 1st February, 1913. Order in council, 25th January, 1913. Memo. 1711B.

Australia, with respect to sugar enumerated in tariff item 134. Effective October 1, 1925. Memo. 61.

Irish Free State—Effective on and after October 1, 1923. Order in council, September 21, 1923. Circular 278-C.

Territory of Western Samoa—Effective October 1, 1924. Order in council, October 1, 1924. Circular 362-C.

Newfoundland—Effective June 30, 1928. Order in council, June 26, 1928. Memo. 94.

So it would appear that under the British preference practically the whole of the British Empire is included so far as tariff matters are concerned.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: Certainly. It may also be said that it does not apply to some communities with which treaties are outstanding where those treaties are at variance with the provisions of the British preference. So that on the British preference items we have a very large number of countries affected. I took the trouble to endeavour to ascertain just what it meant with respect to goods that might be imported thereunder. Now, bearing in mind what the hon. minister said the other day as to the quantity of goods to which the British preference applied, just let me read what our importations have been of these items during the past year. To show what an illusory thing it is, to show you how deceptive it is, and to show how loud-sounding it is and how little there is in it—

An hon. MEMBER: And how dishonest it is.

Mr. BENNETT: I shall read the following information as to the value of goods purchased from empire sources on which the preferential duty is altered in the budget of 1930:

Animals, live—	
Cattle	None
Hogs	None
Horses	None
Sheep	None
Meats (fresh) n.o.p.—	
United Kingdom	$ 29,246
Australia	159,250
New Zealand	178,883
Meats (canned)—	
United Kingdom	54,566
Australia	None
New Zealand	27,594
Extracts of beef	126,997
Meats, pork in barrel	None
Tallow	None
Beeswax	2,010
Eggs, in shell	98
Eggs, n.o.p.	989
Eggs, albumen, egg yolk	1,658
Butter—	
United Kingdom	638,313

That is the butter which the Minister of Agriculture (Mr. Motherwell) stated had been transhipped.

Australia	$ 118,741
New Zealand	11,885,498
Total tea	15,711,754
Yeast cakes, tablets	68
Yeast cakes, packages not less than 50 pounds	146
Yeast cakes, packages less than 50 pounds	55
Beans, n.o.p.	59,181
Buckwheat	None
Buckwheat flour	None
Barley	202
Cornmeal	None
Oats	2,837
Oatmeal	454
Rye	None
Rye flour	None
Wheat, flour and semolina	5,500
Rice bran	None
Macaroni and vermicelli	56
Hay	None

Ah, how splendid it is! I wonder if the farmers of western Canada realize the true benefit of the gift conferred upon them by the present government when they put hay and straw upon this list.

Mr. DUNNING. You have forgotton natural gas on which commodity it would be more ridiculous to have a tariff.

Mr. BENNETT: It is not there.

Mr. DUNNING: Oh yes, it is.

Mr. CHAPLIN: And what is more ridiculous, cider is there.

Mr. BENNETT: The hon. gentleman has said that it would indicate that there was a tax on natural gas in Great Britain. There is nothing in it to that effect.

Mr. DUNNING: That was among other absurdities, in addition to those which the hon. gentleman is now reading which I thought fit to remove.

Mr. BENNETT: I am reading only the ones now printed. I am reading the value of goods purchased from empire sources on which the preferential duty is altered in the budget presented this year. I shall continue:

Flowers, natural and cut	$ 3,112
Potatoes, natural state, sweet, etc.	None
Mushrooms	None
Beets for sugar	None
Vegetables—	
Asparagus	None
Beans, green	None
Brussels sprouts	None
Cabbage	None
Carrots and beets	None
Cauliflower and eggplant	None
Celery	None

Vegetables—	
Cucumbers	None
Lettuce	None
Parsley	None
Peas, green	None
Rhubarb	None
Spinach	None
Tomatoes	$ 291
Watercress	None

These are items which the government held up to the people of Canada when they said: Look what we have done for you under the British preference!

Mr. DUNNING: I would like the authority for the figures on vegetables.

Mr. BENNETT: I wish to tell the hon. gentleman that I got those figures from the department.

Mr. DUNNING: Do you mean to tell this house that none of those items came from the West Indies?

Mr. BENNETT: They had not, up to March 31.

Mr. DUNNING: My hon. friend has not the complete information.

Mr. BENNETT: My reply to that is that I got it from the Department of Trade and Commerce. Of course it may have been prepared in a hurry and there may have been some inaccuracies.

Mr. DUNNING: My hon. friend knows it is wrong.

Mr. BENNETT: Bananas are not included in this list. Until this new tariff came into force we did not receive any substantial quantity of vegetables from the West Indies. There is an item here:

Vegetables, n.o.p.	$ 2,032

Mr. DUNNING: You left the West Indies out when you made your calculations; that is what is the matter.

Mr. BENNETT: I shall continue with the items:

Seedlings—	
Cabbage	None
Cauliflower	None
Onions	None
Vegetables, prepared—	
Beans, baked, in can	None
Corn or tomatoes	None
Not otherwise provided	294
Vegetables, prepared or preserved	None
Vegetables, pickled or preserved in salt	None
Vegetable extract	None
Vegetable paste, hash or similar products	None
Soups	None

[Mr. Bennett.]

Fruits—	
Apricots	None
Cherries	None
Cranberries	None
Peaches	None
Pears	None
Plums	None
Strawberries	None

All of these commodities have figured so largely in western Canada!

Berries, n.o.p.	None
Quinces	None
Apples	None
Grapes	None
Cantaloupes	None
Melons, n.o.p.	None
Fruits, n.o.p.	None
Dates and figs	None
Grapefruit	None

Mr. DUNNING: None?

Mr. BENNETT: No.

Mr. DUNNING: Then, my hon. friend's figures are wrong.

Mr. BENNETT: I am giving the figures as I got them.

Mr. DUNNING: And your information is entirely wrong.

Mr. BENNETT: Coming to manufactured items we have:

Milking machines	$ 676
Cultivators	94
Ploughs	155
Mowing machines	None
Spraying and dusting machines	3,356
Hay-loaders	None
Incubators	140
Hay presses	None
Scythes	2,594
Fanning mills	None
Windmills	None
Portable engines with boilers	487
Equipment for generating electric power	335,613
Pumps and vacuum pumps	None
Machinery for concentration or separation of ores	6,174
Heavy duty mine hoists	3,902
Typewriters	8,241
Dictating machines	None
Automatic teletypewriter	None
Adding machines, etc.	None
Electric vacuum cleaners	None
Refrigerators	36
Washing machines	14,378
Clothes wringers	None
Sewing machines	138,709
Machinery for use in the manufacture of clay products	None
Street or road rollers	96,018
Road-paving machines	None
Electric dental engines	None
Fire engines and other fire machines	329
Lawn mowers and complete parts thereof	8,420

All machinery composed wholly or in part of iron or steel of a class or kind not made in Canada, n.o.p..	1,172,413
Traction engines..	9,326
Automobile engines..	1,206
Engines or boilers of a class not made in Canada..	None

And so on down this entire list which I shall now hand to the reporter. Then there is further reference made to—

Needles.. .. ..$	141,610
Pins..	74,812
Skates of all kinds, roller or other, and parts..	1,857

Mr. RYCKMAN: They are on skates now.

Mr. BENNETT: Then I find—

Mr. DUNNING: My hon. friend is only picking some of them.

Mr. BENNETT: I am not giving all of them, because I would not have sufficient time to read them. The total importation of metals in the last twelve months ending January 1930, was $29,435,319. That total is from the United Kingdom; the remainder of the empire contributed none of that. The total imports were $427,815,683. Following these figures which I find on the table before me there are details. As it would take some time to read them I shall not do so just now. These figures are as nearly correct as the officials could make them in the limited time they had to prepare them; I have accepted them as being correct.

Let us consider what this means. First of all it means that a large number of items which now appear on the free list or appear with greatly reduced tariffs are just as meaningless so far as practical trade and commerce is concerned as though we were dealing with something in a foreign country. So far as British preference is concerned it means nothing, because they do not trade with us.

Mr. DUNNING: Oh, oh.

Mr. BENNETT: None whatever. A large number of these items—

Mr. DUNNING: Do you mean to say they cannot, even if they are free?

Mr. BENNETT: The hon. gentleman says he has made some of them free, but a large number of them were already free and the rest of them, generally speaking, had a duty of about 5 per cent, and that is all. The maximum duty in the list was 15 per cent British preference and that has now been overcome. That is the information I have obtained from the printed schedules whether or not they are printed correctly I cannot say. As they are now printed they give the information I have outlined.

In a spirit of frankness I ask the hon. gentleman: Does he not think that it is high time we ceased to indulge in such a form of deception?

Mr. HEPBURN: I should like to ask a question. An article appeared in the Ottawa Citizen yesterday, and it has a direct reference to the intimation just given by the hon. gentleman that there is no possibility of developing this trade.

Mr. BENNETT: Oh, no; I am coming to that.

Mr. HEPBURN: I have here a clipping from the Ottawa Citizen of yesterday stating that the first boat load of Bermuda vegetables arrived in Montreal yesterday and was completely sold out. It also states that several Ottawa dealers made the trip to Montreal in order to inspect the vegetables.

Mr. BENNETT: I would say, in the words of the Prime Minister, that the hon. gentleman rose to give rather than to get information; I think that would be a fair statement. I have not said that such business may not be developed; I am now about to deal with that phase of my case. I have not as yet mentioned that point. This I will say, in order that there may be no misunderstanding about it: If a dollar goes to the West Indies that should go to a Canadian it is no better than if the money went to the United States.

Mr. MACKENZIE KING: Shame.

Mr. BENNETT: Oh, no; we are not talking about five-cent pieces.

Mr. DUNNING: I hope that is correctly reported.

Mr. BENNETT: I want to repeat it. I stand for Canada, and upon that issue of Canadians before any other people in the world I am prepared to seek the suffrage of my fellow men.

Mr. MACKENZIE KING: What about the British Empire?

Mr. BENNETT: I am for the British Empire next to Canada, the only difference being that some gentlemen are for the United States before Canada. I am for the British Empire after Canada. Let me put this question to the Minister of Finance, and let me put it also to the unemployed walking the streets to-day: If we buy steel in Pittsburgh

and those men are deprived of employment; if we now shift the buying of that steel to another country, what boots it the unemployed? If this country has attained equality of status with respect to constitutional matters, this country stands to maintain its economic life as against the world. What is more, the development of the British Empire lies in the development of each unit comprising that empire.

Now sir, at last the hon. gentlemen have indicated what really is in their minds and what has been in their minds all the time in connection with this tariff. It is not a tariff in which they are concerned about Canada or Canadians; it is a tariff by which they hope to get large headlines in English papers; by which they hope to be talked about as being the saviours of empire; by which they will be talked about as bringing about empire solidarity. What have they done for Great Britain? Well, sir, I think I have a record which will yield to that of no hon. gentleman opposite in my love and devotion to that empire, but I would be indeed a poor Britisher if I were not a Canadian first. "That man's the best Britisher that loves Canada most." That is the story. That man is the best Britisher who loves Canada most, and any legislation that subordinates this country either constitutionally or economically to any other country, whether it be within or without the British Empire, is bad legislation.

Mr. DUNNING: Does my hon. friend think this budget does that?

Mr. BENNETT: Certainly.

Mr. LAPOINTE: I am gratified at my hon. friend's conversion.

Mr. BENNETT: A conversion has taken place within the last few weeks greater than any conversion such as that; for behind me I have a lifetime of effort for the British Empire, which consists primarily of regard for Canada. That is the story. Now let us pass on.

An hon. MEMBER: Hear, hear.

Mr. BENNETT: The hon. gentleman's record on New Zealand butter should induce him to say that, for he knows I am coming to that next. This, sir, is the story of the British preference as indicated by the tariff: Hundreds of items are marked free from countries from which we bought nothing and are likely to buy nothing, while hundreds of items are reduced from countries from which we cannot buy anything. It sounds so good; it enables your name to be blazoned so large in the newspapers as the young Lochinvar from the west who has now saved and solidified the British Empire. It plays second fiddle in the election at Fulham to-day. That is the real essence of this budget, or rather of this statement, because it is not a budget.

In the closing paragraph, hon. gentlemen will find mention of an economic conference. Who first suggested an economic conference of the different units of the British Empire? Did the right hon. Prime Minister? Did the Minister of Railways and Canals? Did the Minister of Finance? Well, I have in my hand a return brought down the other day, and I observe that the Prime Minister of our country sent an invitation for an economic conference in Canada some time after I had on the speech from the throne suggested that there were two great problems with which the British Empire was concerned, the one fiscal and the other the migration of peoples, and that the only method by which these matters could be satisfactorily dealt with was by having a great economic conference here in Ottawa. I have no objection to my hon. friends accepting my suggestion in that regard; I am rather pleased that they did so, but I want them at least to render credit, shall we say, where it is due. I do not expect them to endeavour to deprive us of the credit of having made the suggestion. It was not a suggestion made suddenly; it represented a considered opinion with respect to this matter, which I conceive to be the most important matter that can engage the attention of any citizen of any one of the great portions of the globe which comprise this empire. Anyone who thinks at all must realize that as we have developed there have been increasing difficulties, which can be overcome only through some method brought about by a common unity of thought and a desire to improve conditions. Preferences, whatever they may be, must be preferences which are mutually advantageous. Let us have no differences about that. Even from the days of Sir John A. Macdonald, when he put the matter as clearly as he did and from the days of Tupper and others it has been made abundantly clear that preferences, to be valuable, must be mutually advantageous. When I read what I said in this house with respect to this matter a few short months ago I feel quite satisfied that hon. gentlemen will realize that I at least was on the right road with respect to this matter.

At that time I said there were two great problems which were now the concern of the British people, as hon. gentlemen will find by consulting Hansard, and that these problems affected, on the one hand the development of trade and commerce and, on the other,

the migration of peoples. Here we are inhabiting a quarter of the world's area and with a quarter of its population, having resources of every kind that possibly could be of interest to men, and the problem is how we are to utilize them. I made this suggestion on February 11, 1929, only a little over a year ago, and it will be found at page 28, volume 1, of Hansard for that year. Did any hon. gentleman suggest approval of it at that time? Was there one hon. gentleman opposite who rose in his place during that debate or subsequent debates and expressed approval? Where was the Prime Minister? Where was the Minister of Finance? Where were the other hon. gentlemen? Hardly had parliament risen until the Prime Minister was sending out invitations to an economic conference to be held in Ottawa. These are my words which appear on page 28 of Hansard:

> There is one other matter I wish to suggest to the administration, and with it I have concluded my observations. There are two great problems that confront the people of the British Empire; they are the largest problems that have ever been offered for the solution of men and women in any age. We inhabit one-fourth of the world's area; we have one-fourth of its population; we have the greatest unoccupied spaces ever given to a people in trust. These great spaces came to us through the toil, the effort and sacrifice of men and women of ages long since past. We have a population congested in some sections, and a sparse population in others. Why should not the congested areas be relieved of their population, and the sparsely peopled areas be populated? That is one problem. The other problem is that of development. I will not at this time endeavour to point out what the resources of this empire are, nor how great a part Canada plays in any development of these resources. In nickel, asbestos, lead, tin, gold, silver, metals, minerals, wood products—in all these there are abundant resources in Canada as well as in other parts of the empire; copper in Rhodesia, diamonds in South Africa and great cotton fields in India and Egypt.

I then concluded with the suggestion that representatives of this great empire should meet in Ottawa and deal with the problems of settlement and development, because one-fourth of the world's people are not trustees for nothing. I repeat that it is desirable and necessary that there should be a conference of representatives from every part of this empire, and that conference cannot be held successfully in Great Britain. That is the position which I would expect to be taken by a government having the interests of the empire at heart. But this government is following its old policy; there never has been a time when the Liberal party was not prepared to gamble with Canada and with the British Empire.

Look through the pages of history for the last few years. Take the railway problem; they guaranteed the securities of the Canadian Northern Railway and then those of the Grand Trunk Pacific railway, to compete with the former railway and destroy both. That is the history which appears upon the records of this country. Take the matter of lake traffic and the control of rates; they experimented by passing a statute, and then coaxed American ships to violate that statute in order to carry our goods. They were going to sweep the gigantic north Atlantic Shipping trust off the sea; they made the Petersen contract, but they were so ashamed of it that they repudiated it in this house.

Come to more modern days, to this present session. What has been done? Look at the experiments of former years that we are now legislating about for the purpose of meeting difficulties which have occurred. It will be observed that much of our time has been taken up with the discussion of the natural resources agreements. Twenty-five years ago they denied the western provinces their resources, and they hand over those resources only because they are compelled to do so.

Take the New Zealand treaty. Hon. member after hon. member in the Liberal party rose in his place to speak in favour of that treaty. I have their speeches here, one after another, and perhaps it would not be fair to take up too much time in reading them. There is the speech of the hon. member for Hants-Kings (Mr. Ilsley). He said that we should not give up this magnificent treaty with all its advantages. There was the speech made by the hon. member for Elgin-Norfolk, in which he said that he hoped the government would stand pat upon its tariff policy.

Mr. CHAPLIN: A stand-patter.

Mr. HEPBURN: It was not the member for Elgin-Norfolk. I represent the constituency of West Elgin.

Mr. BENNETT: Pardon me, I should have said the hon. member for West Elgin. He said:

> I am going to ask this government to stand pat on their tariff policy, despite the protectionist propaganda that is coming through all the papers of this country.

One after another they spoke, and then came my dear old friend, the hon. member for Weyburn (Mr. Young). Then followed the hon. member for Qu'Appelle (Mr. Millar); and then the hon. member for Queens (Mr. Sinclair). They all expressed their complete conviction that this important treaty should not be interfered with. The hon. member for Hants-Kings said:

> Certainly no steps should be taken which might have the effect of terminating the very satisfactory, profitable and successful treaty which we have with our sister dominion of Australia.

Mr. ILSLEY: That had reference to Australia.

Mr. BENNETT: That is what I said.

Mr. ILSLEY: The hon. member said New Zealand.

Mr. BENNETT: Perhaps the hon. gentleman could not hear because of the noise. I said, "which we have with our sister dominion of Australia."

Mr. ILSLEY: The hon. member is reading it now.

Mr. BENNETT: Those words were read. The hon. member for Queens said:

> The amendment proposed by the hon. member for Haldimand (Mr. Senn), which I think is the official voice of the opposition on this matter, asks that the present treaty as it applies to our sister dominion of New Zealand be rescinded, while the government desires to negotiate with New Zealand in the hope of concluding a treaty which will supersede the one now in effect.

And again:

> Hon. gentlemen opposite say we should take the extreme ground of rescinding the present treaty, but what does that mean? Our hon. friends opposite suggest by their amendment that we ignore our solemn treaty. I cannot subscribe to anything of that nature, something which treats our signed agreement as a scrap of paper. Such action will not commend itself to those in the country whom our hon. friends have sought to interest by means of this amendment.

Mr. ILSLEY: Whom is the hon. gentleman quoting now?

Mr. BENNETT: The hon. member for Queens. Let me put this question to my hon. friend the Minister of Finance. If you are right in rescinding the New Zealand treaty on October 12 next by notice, it will involve the previous repeal of the order in council. When we asked that that should be done, why did you vote your forces against it? Why is it that this appears in the correspondence of the secretary of the consumers' league? Why is it that you are all called up to the penitent bench to admit your professed conversion to protection? This Mr. Deachman appears to have seen the light.

Does this proposal protect the butter industry of Canada? Does a duty of 7 cents per pound general, and 4 cents per pound preferential, protect the butter industry? Answer that. If it does protect it, where were you when the motion was before the house the other day?

Mr. HANSON: They are nailed to the cross.

Mr. BENNETT: The language of the president and directors of the consumers' league is as follows:

> If they had any such inclinations there are signposts of folly warning them what not to do. Lloyd George and the British Liberal party lost its head in the great war and has not yet regained its balance. An even more striking example is Al Smith.

The hon. gentlemen who marched up to the penitent block only a few days ago, are now going to march up and say: When we voted with our government, when we accepted their leadership, when we voted for the New Zealand treaty, we were all wrong because in the meantime they have changed their minds. On October 12 the treaty will perish.

Mr. DUNNING: No one voted for the New Zealand treaty.

Mr. BENNETT: Did they not?

Mr. DUNNING: Oh, no; they voted that it be superseded.

Mr. BENNETT: Exactly, but the hon. gentleman said: You must not supersede it, you must not terminate it until you have a new treaty. This was the motion on which the house divided on the 18th of March, 1930:

> That in the opinion of this house, order in council No. 1757, passed on the 26th day of September, 1925, respecting certain trade arrangements with the Dominion of New Zealand, should be rescinded forthwith, and immediate steps taken to negotiate a treaty with that Dominion on fair and equitable terms.

The amendment was:

> That in the opinion of this house, order in council No. 1757, passed on the 26th day of September, 1925, respecting certain trade arrangements with the Dominion of New Zealand, should be superseded as soon as possible by a treaty with that dominion and that immediate steps should be taken to negotiate such treaty.

I pointed out then that rescinding the order in council meant giving the notice under the statute, and the minister has now said that notice has been given that on the 12th day of October this treaty disappears. That is the story. The hon. member for Qu'Appelle (Mr. Millar) will recall his speech on that occasion. To its loyal and devoted followers who supported it in the belief that it was all wrong to give notice of the abrogation of the treaty until a new treaty was arranged, the government now say that on the 12th day of October next this treaty, willy-nilly, whether a new one takes its place or not, is to vanish from the face of the earth. That is what we are told by the Minister of Finance. It is the old, old story.

The next matter is that of fruit and vegetables. Year after year we endeavoured to induce the government to place a seasonal tariff on vegetables and fruits. They passed legislation in this respect in 1923. The Hon.

Jacques Bureau and the Hon. Mr. Fielding put that legislation through the house with the aid of the Conservative party and against the efforts of the Progressives at that time. It provided for an order in council, and under it an order in council was passed by which a seasonal tariff was to be established by the fixing of values. The hon. member for Weyburn (Mr. Young) did not believe in this and he gave notice to rescind the order in council. It was rescinded. To a great delegation that came here the Prime Minister indicated that action would be taken when necessity arose, and now we are told, to save the face of the government, that a seasonal tariff is not to be put into effect, but that an ad valorem and specific tariff will protect the interests of the fruit growers. All I can say is that it is at its highest when it is least needed and it is at its lowest when it is most required.

How do the government propose to deal with butter, eggs, fruit and commodities of this kind that the United States have been dumping upon our markets? They propose to deal with them by a countervailing tariff. I wonder whether the house and the country realize just what that means. It is a countervailing tariff that comes into operation not because Canada has so declared, but because other countries have passed tariff legislation to safeguard and protect their own markets. When they do that, automatically the same tariff applies against them in our market. In other words, congress makes Canada's tariff. The only difference between the "brick-for-brick" policy that was laughed to scorn in this country by hon. gentlemen opposite is that in Mr. Meighen's case he proposed to build the brick into the wall himself, but now the United States congress builds the brick into both sides of the wall. There is no word that will adequately describe what the government is doing with respect to this matter. I wonder whether the house and the country realize that when the government went through the gesture of putting a tariff of seven cents a pound on butter, they knew that the tariff of the United States was twelve cents a pound. So they put on not a seven cent but a twelve cent a pound tariff.

Mr. DUNNING: No.

Mr. BENNETT: The Minister of Finance does not know what the chairman of his tariff board has provided for him, because he shakes his head. All I can say to him is that what he has said in his speech is this: that the tariff that prevails in another country with respect to importations from Canada shall be the tariff that obtains in Canada against imports from that country provided that such tariff shall not be less than the tariff fixed by Canada.

Mr. DUNNING: That is right this time.

Mr. BENNETT: We have fixed a tariff of four cents a pound on butter under the preference and seven cents a pound on butter from the rest of the world, and when the minister proposed a tariff of seven cents a pound he knew that the United States tariff was twelve cents.

Mr. DUNNING: That is right. It may be fourteen cents a little later.

Mr. BENNETT: The minister says that it may be fourteen cents a little later. Therefore the Canadian tariff on butter is twelve cents to-day and it may be fourteen cents next week.

Mr. DUNNING: Against the United States only.

Mr. BENNETT: Against the United States or any other country that imposes the same tariff. I put this to the house and the country: What do you think of a government that calmly sits down and tells the people of Canada it has imposed a seven cent duty on butter coming from the United States when all the time it knew it was a twelve cent duty?

Mr. DUNNING: I did not tell them that.

Mr. BENNETT: It has imposed a twelve cent duty or else it did not know what the United States tariff is. Let us consider the interference and uncertainty this will cause to business. There are the elastic provisions of the United States tariff that have been taken out and put back again. If that sort of thing continues, what will be the result?

Mr. DUNNING: Our tariff will be equally elastic.

Mr. BENNETT: That is what I am trying to point out. In other words, we shall have a tariff from month to month, depending on what the United States does. The president of the United States has to sign the executive order on the recommendation of his tariff commission and any increase up to 50 per cent comes into force thirty days later. Thus Canada's tariff is to be made by the president of the United States.

Mr. DUNNING: As against themselves.

Mr. BENNETT: Against the attitude I protest. I ask these men to leave the treasury benches and give place to Canadians who

are prepared to enact a tariff for Canada. Suppose Germany has another tariff, Austria another and Czechoslovakia another with respect to every one of those items mentioned in the countervailing tariff, this country will have a new tariff with respect to all those items. That is what happens. Just as rapidly as they change their tariff, under this countervailing provision we get a new tariff also, so that Ganada no longer has with respect to those designated articles a fixed or stable tariff. It has a tariff that may be amended in Czechoslovakia or Austria or the United States or Latvia or Esthonia, we know not which, depending on which country we import goods from within the list mentioned. There is no getting around that. All the sophistry in the world cannot disguise a fact which is so patent to everyone. What do the government say? They say: "We will not retaliate." Oh, no! One minister says: "We will not retaliate." The Prime Minister says: "We will not provoke." But what do they do? They "countervail!" It is difficult to understand a government that will so presume upon the intelligence of the Canadian people as not to realize that they are trying to do by indirect means what they have not the courage to do directly. They had not the courage to do it, but the people of this country have shown in no unmistakable way that they no longer propose to be serfs for anyone and that they are not going to have their markets continually filled with goods dumped upon them from the mass production of the United States, whether it be from the factory or the farm. Against that growing tide of disfavour the government realized that they were powerless unless they did something, and so abandoning all their past protestations and forgetting the Prime Minister's fine frenzy about not provoking the United States by putting up the British preference, and his fine frenzy against retaliatory measures against the United States, they say: All this is forgotten. Just let the president of the United States sign the order, and then that becomes the tariff of Canada.

Now I proceed to the item of tea, which has been put on the free list. In 1918 this country imposed a tax on tea as a war measure. In 1919 there were certain modifications of that tax, but only modifications. That tax has been on the statute book ever since this government has been in power. Why did they not make tea free before? Why did they not have a free cup of tea in any year since 1921? Why? Because it yielded some little revenue. But now, just on the eve of an election, they suggest how farreaching might be the consequences if they only take the duty off tea. Well, Mr. Churchill took a duty of fourpence a pound off tea in a budget in England just on the eve of an election.

An hon. MEMBER: And see what happened to him.

Mr. BENNETT: He did it because he thought it was good policy to do it. He thought it would get some votes. I have here the language of Mr. Lloyd George in that regard, which I fancy will be somewhat interesting to hon. gentlemen opposite. This year Mr. Lloyd George was dealing with that very question, and in the course of his observations he found it necessary to refer to the action of the Conservative administration in England in that regard. He said that it was purely an election dodge on the part of Mr. Churchill to take fourpence a pound off tea just before an election, and he said it did not do Mr. Churchill much good. It did not. Do hon. gentlemen opposite think that it is going to do them much good? Let me read the figures, showing the revenue we have been receiving from tea:

1910	$ 7,032
1911	4,251
1912	4,463
1913	4,236
1914	5,506
1915	8,957
1916	7,931
1917	4,952
1918	15,648
1919	11,801

There was little tea imported in 1919, because the year before vast supplies had been purchased, over 58,000,000 pounds, and only 17,000,000 pounds were bought in 1919. But from 1920 up to March 31, 1930, the tax on tea has brought this country roughly $2,500,000 every year, and most of that time this government has been in power. In 1922 the revenue from tea was $2,900,000; 1923, $3,000,000; and for the present year ending March 31, 1930, $2,596,000. Now I ask hon. gentlemen this question: When the government have lost, mark you, the excise tax, when they have lost the customs tax, and when they have lost other forms of taxation by reason of business conditions, why do they now take the tax off tea? Do they do it for the good of the country or for votes? Well, Mr. Lloyd George used these words on the 17th of April of this year:

> Mr. Churchill complained that taxation was concentrated upon a small portion of the community. Who set the example there? Last year Mr. Churchill took 4d. off tea. Was he going to say that there was no bribery in that? Was that done as a great financial measure, or was it done in contemplation of an election which was about to take place?

I commend that to the government opposite: Go and tell the housewife that you are taking the duty off tea now; that last year you took the duty off cheques, parlour and sleeping car tickets; and that this year you are taking the duty off tea on the eve of an election. I cannot without having before me the figures express any opinion with respect to the condition of the revenue generally but I should say that if there is one war tax in all the world that should have been dealt with as soon as possible it was the tax on tea. Every member of this house will say that. But, as a matter of fact, the government had not seen fit to take the tax off tea until now, on the eve of an election. Who will say, in the words of Lloyd George, that there was no bribery in that? Those were his words, not mine.

An hon. MEMBER: Let him mind his own business.

Mr. BENNETT: I should say that that would be the general attitude of the hon. gentleman. I only quote the words of Mr. Lloyd George because in England fourpence a pound was taken off and seven cents a pound here.

I come to the income tax. How many people in Canada do you think pay income tax? I have not yet, of course, the figures for 1930, but for the year ending March 31, 1929, the total number of individuals in this country who paid income tax was 129,663 out of a total population of nearly 10,000,000. That figure was divided by provinces as follows:

Prince Edward Island	367
Nova Scotia	3,693
New Brunswick	2,682
Quebec	28,918
Ontario	55,743
Manitoba	10,174
Saskatchewan	7,799
Alberta	8,221
British Columbia	11,732
Yukon	334

That makes a total of 129,663 individual income taxpayers. The government now propose to grant some relief to the income taxpayer with respect to gifts given to charity, to churches and eleemosynary institutions. I wonder if the government recall how strongly we urged them to take action last year. I wonder if they remember that we pointed out that the income tax was having the effect of drying up private benefactions? Now they agree and are sticking to the old biblical rule that the exemption shall not exceed one-tenth of the income. We have urged it invariably for years, and I rejoice that the government has at last taken this action.

Let me point out one of the difficulties in connection with the income tax. Did it ever occur to the government that there must be something wrong when only 129,000 individuals out of 10,000,000 people pay income tax in this country? There was something wrong in Lethbridge not long since, as the Minister of National Revenue knows. There must be something wrong in other parts of Canada. How is the tax being evaded? If there are only 129,000 people paying income tax in this country, it is obvious that there is something wrong. One of the reasons is this, that money in the hands of the taxpayer is taxed three times. First, the moneys from which they receive their dividends, and many of them receive their money from investments in joint stock companies, pay the corporation tax on income. Secondly, the taxpayer is called upon to pay a full tax upon that money which he receives as a dividend. That is the second time that that dividend pays a tax, not only is it double taxation, but the taxpayer has to pay a tax upon the very money with which he pays the tax. He gets no exemption for the tax he paid last year out of this year's income. So his money is taxed in the hands of the company, in the hands of the individual, and the money with which he pays the tax is taxed. Now I submit that the time has come when the minister should revise the whole theory of income tax to see that more than 129,000 people in receipt of an income of $3,000 or over make some contribution to the revenues of the country. Placed upon an equitable basis the income tax in Great Britain has been the greatest source of revenue. In this country, administered on a just and equitable basis, it would yield increasing sums. In years past the largest sums from income tax have come, not from individuals, but from corporations, for the income tax paid by individuals last year amounted to only a little over $24,000,000 of the total. I suggest this as a matter worthy of consideration by the government. The adjustments that have been made have tended not to lessen, but rather in some instances to increase the tax, apart altogether from the exemption of gifts to churches, hospitals, and institutions of that kind. I am glad the minister has made that exemption applicable to the 1929 period, because many efforts have been made to induce men of means to make large contributions, to universities, schools, hospitals and churches, but they found themselves unable to respond on account of the burdensome taxation imposed. This is a step in the right direction. It is long overdue. We urged it on the government last year and the year before, and it is satisfactory to us that the minister has at last yielded to our representations.

Here is another question that I desire to ask the hon. minister as well as the right hon. Prime Minister that rises out of this. When you are dealing with taxation why was no effort made to deal with problems that arise in connection with the duties imposed by foreign countries against importation of Canadian wheat? It is true that under the provision of the countervailing duties, the tariff on our now going into the United States being 42 cents, any wheat we buy from them will also pay 42 cents. It is also very useful legislation to suggest that wheat brought from France will now pay 53 cents, from Italy 73 cents, and from Germany 97 cents a bushel. The figures I obtained yesterday from the department were that the United States duty on imported wheat was 42 cents per bushel, the French 53·454, the Italian, 73·63, the German 97·363 cents per bushel. Why have not the government done something about countervailing in those cases? Why have they not done something to provide that when any country in Europe imposes a prohibitory tariff against our wheat we will impose a supertax on their exports to this country? Why has not something been done to protect our wheat growers? Look at what happened the other day. France with her wheat tariff was able to dump 18,000,000 bushels of wheat on the British market. As the hon. Minister of Trade and Commerce knows, the effect was that wheat on the Winnipeg market dropped between 5 and 6 cents a bushel. The direct result of those European tariffs against importations of Canadian wheat has been, as I indicated; that is, our market has been restricted and more or less destroyed, and the British market, which of right was ours in days gone by, has been taken from us. Wheat from Germany and from France, grown under subsidies in some instances, has been sent to Great Britain to the exclusion of our wheat; but this government has done nothing to deal with that situation. Is human ingenuity beyond dealing with it? Any government that lets the president of the United States make its tariff might permit some of us to suggest measures that would safeguard our wheat.

I think, sir, that I have dealt with the problems arising out of this budget. I have not yet endeavoured to go into them in detail —the five hundred and eighty odd items; they must be dealt with in committee, as they are in England. In England some of the most important speeches by Mr. Lloyd George and By Mr. Churchill were made in committee when considering the resolutions themselves, because they required detailed knowledge and an ability to deal with the technical questions that arose thereon.

Now, sir, I propose to indicate in a summary way the attitude of this party with respect to the problems with which we are dealing. I would regret to think that it was not the duty of the official opposition to indicate what the fiscal policy of the country should be when it has been entrusted to the president of the United States to do so. Our duty is to point out what the proposals of the government involve and to ask the people to accept or reject them in the light of fair criticism urged against them.

The Conservative party stands for the safeguarding and stability of agriculture and industry, and to that end, for protection by laws made in Canada. The countervailing duties of the hon. gentleman are in truth a renunciation of his party's creed; but they are as well an ineffectual attempt to embrace the doctrine of Conservatism; for they do not safeguard and they do not stabilize. They constitute an acknowledgment both of the futility of Liberalism and the impotency of its present proponents to legislate for the good, not of other countries, but of our own. The government, alarmed at the signs of the times, forsake the faith of Laurier and, failing the usurpation of the Conservative doctrine, finds itself suspended midway between the two, shorn of its old faith and doctrine denied the solace of its new,—a warning of the nemesis that awaits those who subordinate principle to personal advantage.

Tested by the laws of political morality or of good business, his action stands equally condemned. To the great Liberal party I offer my sincere sympathy. Before this time of industrial world strife, in the days of lesser competition, the Liberal party was encouraged to prosecute its principles by leaders faithfully, though mistakenly, dedicated to their advancement. But now, when economic battle is joined between the nations of the earth, when every country is raising or preparing to raise its tariff walls higher and yet higher, when we have left behind the calm of slow growth and find ourselves in the storm and stress of rapid development, when the very existence of our industries demands a moderate tariff imposed in our own interests, does the Liberal leader rally his followers for one last fight in the cause he has sworn to espouse? Does he say to the tens of thousands who have been loyal to him? "The cause is in desperate plight, but we will fight it through."

No! He calls to them over his shoulder as he speeds from the battlefield, "Recant, recant; the cause is lost; every man for himself."

Mr. MACKENZIE KING: What is this document my hon. friend is reading?

Mr. BENNETT: Some notes I have made. And where is he speeding? Anywhere so long as it is away from Liberalism. And in his desperate flight he seeks as his only hope—protection behind the strong arm of the Conservative party. He rushes to us and cries, "I am of the faith. Behold! I bring with me as proof of that my countervailing duties." But there is no place among us for the right hon. gentleman and his government. A steadfast Liberal we can, and do, honour and respect. If he has fought bravely a losing fight, we for that reason the more honour and respect him. But to the leader, who, to save himself, is willing to forswear his faith and disguise his meanness in the mantle of Conservatism, we will lend no aid; we will endure no compromise. We can do no other in duty to our friends, in fairness to our foes. Countervailing duties! Free trade had at least a meaning. But to surrender our sovereignty—the right to make our own laws for our own good—to hand over the conduct of our agricultural and industrial affairs to the tender mercies of competing nations, is an insult to Conservatism, a mockery of Liberalism and a catastrophe to agriculture and industry alike which we as citizens with no interest at heart but the welfare of Canada will forever oppose.

An hon. MEMBER: Hurrah!

Mr. BENNETT: Go down to the province of Quebec and tell them that is your faith. Go down and explain the seasonal tariffs; when they hear the details of them as they apply in actual operation they will be greatly surprised. It is unthinkable that a responsible ministry to save itself will prostitute its country to the interest of others.

Some hon. MEMBER: Oh, oh.

An hon. MEMBER: That is a good word.

Mr. BENNETT: My right hon. friend will talk of the welfare of industry and agriculture, of his measures for the orderly advancement of Canada. If he means this he must have forgotten what every schoolboy knows, that our national prosperity is founded on stability of trade, on freedom from change, on an assured market for our natural and fabricated products. That will suffice for countervailing duties.

In order that there may be no misunderstanding as to our position with respect to British preference, I wish to say the following: As an earnest of our affection and goodwill, as an expression of the hope we all have that some day a closer economic alliance of empire states may find being, I commend the measures for British preference which the minister proposes.

Some hon. MEMBER: Oh, oh.

Mr. BENNETT: Wait a minute, until I finish my statement. I do not however approve of the practice of making that appear to be a preference which in reality it is not. A sound partnership is founded on mutuality of interest. Good business is predicated upon reciprocal benefits. This is neither. Here is a great principle being destroyed in the manner I have already indicated. There is no true Canadian who would not gladly surrender some personal advantage to help the people of the parent state; Britain however neither needs nor asks for help like that. What she wants is what we want—broader areas of trade developed through an alliance to which we each bring the powers which have made us what we are. She wants with us a greater empire of the future, and for that we Canadians must build a greater Canada. I say now what I have said from my youth, that the future of empire depends upon the upbuilding of Canada; it depends upon the development of the great resources of Canada. Any sacrifice that we may make of our position whereby we cease to be autonomous in the development of this great state is fraught with the gravest disaster not to us alone but to the empire of which we form a part. What is good for one is good for both, and what is bad for one cannot avail the other. Is that not clear to hon. members? To grant trade preference to another state or empire without forming those preferences on a mutually helpful treaty is unsound business, profitless and filled with ill will and misunderstanding. Can there be any doubt about that? The New Zealand experience proves the case.

The budget in so far as it endeavours to deal with trade preferences within the British Empire, which trade preferences are in reality nothing, is nothing more than mere deception of the body politic; to my mind there can be no doubt with respect to that. The development of this country is the development of the empire and we constitute an autonomous unit in the empire. I turn to the words of a great Conservative statesman who said that a woollen mill in Canada is as great an

asset to the British Empire as a woollen mill in Yorkshire. The empire must be founded on common advantage, stabilized by the unhampered cooperation of its component parts and sustained by the boundless strength of this great nation. That is the position which we submit to the people of this country. I realize that the present government has experimented with the most priceless possessions of this country, such as the railways; it has formulated various policies and has attempted the operation of policies from time to time. I have heard its professions of faith, which professions are wholly lacking in effectiveness so far as practice is concerned. Time will not permit me to read the speeches made by the Minister of Railways (Mr. Crerar), the Minister of the Interior (Mr. Stewart, Edmonton) and the Prime Minister (Mr. Mackenzie King) in the Canadian west. There may be an occasion when those speeches may be read. In the speech of the hon. Minister of Finance (Mr. Dunning) delivered on October 8, 1925, as reported in the Regina Leader, dealing with the proposal of Mr. Meighen, we find the expression:

—in my judgment such a proposal would ruin the agricultural interests of western Canada.

To-day we find ourselves in the position where there is a duty of 42 cents a bushel imposed on American wheat, 42 cents on butter and 8 cents on eggs. We have given effect to the words of Mr. Meighen as quoted by the hon. gentleman (Mr. Dunning).

After the United States raised their tariff I would have raised the Canadian tariff to the same height. All the farmers, with the possible exception of the wheat producers, would have benefited.

Mr. Dunning further then stated:

I have said before, and I say again to-night in the most solemn way that in my judgment such a proposal would ruin the agricultural interests of western Canada.

Well, he has himself proposed it to this parliament; he had not the courage however to do it directly, but he has left it for the United States to do.

Mr. DUPUIS: Mr. Meighen wanted to be led by congress.

Mr. BENNETT: No; he said he would take action, but the present government said that they would fix the tariff at 7 cents on butter and 4 cents on eggs, knowing when they did it that the tariff in the United States was 42 cents on wheat, 12 cents on butter and 8 cents on eggs; that is the tariff to-day in Canada as well as in the United States. The hon. gentleman probably knows that.

[Mr. Bennett.]

An hon. MEMBER: Probably he does not know it.

Mr. BENNETT: Nothing could be more destructive of or injurious to the body politic than that throughout this country men should say there is no difference between the parties, and that it is only a question of a party being in or not. It is neither fit nor meet that a government in order to retain power, for pure expediency should sacrifice the cherished faith of its followers which has existed generation after generation. The party which now proposes this tariff in days gone by has denounced in no uncertain terms the very measures which it now supports. Its leaders have gone throughout the country; they have sat in this parliament and have placed on the pages of Hansard their observations as to the injuries which would come to this country by the adoption of policies such as they now propose in part. They now champion the policies which they have not the courage to resort to in full; they hope however to divert public attention from the lack of confidence now facing them to the acceptance of these principles. I submit, sir, that such an attitude on the part of a government is injurious to this country and it destroys any confidence the public may have in such a government. In this connection may I repeat the words of another:

What is it, Mr. Speaker, that works havoc in human lives, that destroys the noblest of friendships, that blights all that is most sacred in our human relations? It is the loss of confidence that comes through disillusionment, through the broken pledges, the shattered ideals, the lost visions, the vanished faiths, cruel, indeed, it is when that breach in confidence comes between man and man, between friend and friend, between race and race, between nation and nation; but when it comes between a people and its government there is no saying what injury it may ultimately work.

Is there nothing binding in conscience and in honour between those who rule a people and those who have permitted them to be ruled?

Those are the words of the present Prime Minister of Canada, spoken on February 15, 1924. Hon. members opposite do not seem to be booing so loudly. Bearing in mind this solemn admonition of the Prime Minister in other and happier days I now move, seconded by the hon. member for Vancouver Centre (Mr. Stevens):

That all the words after "That" in the motion be struck out and the following substituted therefor:

"while this house welcomes and approves of every measure that will afford to Canadian agriculture, industry, and labour an equal opportunity and fair competition in the development of the rich and varied natural resources of the Dominion, and provide for the extension of inter-empire trade by mutually advantageous

preferences and agreements, with due regard in either case, to the interests of consumers, it is of opinion that the proposals which were submitted by the Minister of Finance on May 1st, are in several important respects so completely at variance with the policies of this government, as heretofore declared by its official leaders in parliament and elsewhere, that this administration having lost the confidence of the country, cannot safely be entrusted with the direction of the fiscal policy of Canada nor the carrying into effect of proposals to which it has heretofore been opposed and which constitute a breach of its solemn pledges to the electorate, and which are deceptive, fail to estimate the financial results of their operations and which create distrust of and contempt for representative institutions."

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I do not intend at this moment to reply to the speech of the hon. the leader of the opposition (Mr. Bennett) except in so far as the speech just delivered and the amendment which my hon. friend has moved in the house this afternoon assert that the government has lost the confidence of the people of Canada, or does not enjoy that confidence to the full with respect to the budget which has been brought down by the hon. the Minister of Finance (Mr. Dunning) and with respect to its other policies.

Perhaps the present is an opportune moment at which to make an announcement to parliament which I think should not be longer delayed.

In the opinion of the government, Mr. Speaker, it is desirable that a general election should be held this year, rather than that we should delay dissolution until the conclusion of another session of parliament during the course of next year. It is true that under the constitution the present administration is entitled to remain in office until November, 1931, provided that meanwhile it continues to enjoy the confidence of parliament, but uncertainty with respect to a general election always is apt to be more or less prejudicial to the business interests of the country, and uncertainty with respect to an election also has its unsettling effect upon the business of parliament. Inasmuch, therefore, as there appears to be general expectancy of an election this year, I venture to say that it is in the public interest that it should be brought on at the earliest possible date.

We are fortunately in the position, with my hon. friend speaking on behalf of the opposition and I myself speaking on behalf of the government, of apparently being in agreement in this particular. My hon. friend to-day, in speaking on the budget, has given the budget itself as a reason why there should be an immediate appeal to the people. Speaking on the address in reply to the speech from the throne my hon. friend indicated that since there was to be an imperial conference this year he thought there should be an appeal to the people before that conference was held, and on Thursday of last week, referring again to the imperial conference and the imperial economic conference, he stated that he thought it advisable that the people should be given an opportunity to say what administration should send its representatives to those conferences which are to be held in London next September.

May I say, Mr. Speaker, that having in mind the representation of Canada by the present administration at the imperial conferences of 1923 and at the imperial conference of 1926, as well as at the subsidiary conference held in London last year, I believe the people of Canada would be wholly agreeable to having this country again represented by the present administration in the ordinary course of events without the necessity of any appeal to the people in the interval. However, the imperial conference and the imperial economic conference are all-important events, and I believe that the voice of Canada at those conferences will also be most important. I feel sure that the authority of Canada's voice will be the greater by virtue of its being expressed by an administration which has just been honoured with the confidence of the people of the country.

Under the circumstances, I would suggest to my hon. friend the leader of the opposition that he and I meet together as soon as may be convenient to him to see if we cannot come to some agreement whereby the business of this present session can be brought to an orderly and speedy conclusion. It would be my wish to meet as well with my friend the hon. member for Acadia (Mr. Gardiner) and discuss with him the matters which he would wish to have considered for the group which he leads and for those who sit about him. As far as the business of parliament is concerned, I think the house has now before it practically all the legislation which it is the intention of the government to introduce. I understand that there still remain to be introduced some amendments to the criminal code; there may be one or two treaties and features of the report of the subsidiary conference in London of which we would wish to ask the approval of parliament. There are possibly one or two other bills which may be introduced, and there remains of course the work of the committees of the house from which we would hope to have reports, upon which reports certain bills will be based.

There are the supplementary estimates still to be brought down, but apart from these items I think the house has now before it a pretty complete indication of all the business which may be expected.

Now that it is known that a general election is to be held this year, having regard to the date upon which the imperial conference and the imperial economic conference are to be held, and the necessity of ample opportunity being given after an election for the preparation of matters to be presented on behalf of Canada at these conferences, I would say that the speedier we can bring to a conclusion the work of this session, and the sooner we can make the appeal to the people, the better it will be for all concerned.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

GOVERNOR GENERAL'S SPEECH

ACKNOWLEDGMENT OF ADDRESS IN REPLY

Mr. SPEAKER: I have the honour to inform the house that I have received a message from His Excellency the Governor General, signed by his own hand, reading as follows:

I have received with great pleasure the address you have voted in reply to my speech at the opening of parliament, and thank you for it sincerely.

Willingdon.

Government House, Ottawa.

DIVORCE COURT FOR ONTARIO

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved the third reading of Bill No. 20, to provide in the province of Ontario for the dissolution and annulment of marriage.

Mr. A. N. SMITH (Stormont): I beg to move in amendment:

That the said bill be not now read a third time but that it be referred back to the committee of the whole with instructions that they have power to amend the same by inserting the following therein as section 3 of the bill, and renumbering section 3 as section 4:

"3. Upon receipt by the Secretary of State of Canada of a duly certified copy of a resolution passed by the legislative assembly of Ontario requesting that this act be brought into force in that province, the governor in council may, by proclamation, declare that this act shall come into force on a date to be named in the said proclamation, not less than three months after the date of the receipt of such request by the Secretary of State."

And that section 3 of the bill be renumbered as section 4.

[Mr. Mackenzie King.]

The house divided on the amendment (Mr. Smith, Stormont) which was negatived on the following division:

YEAS

Messrs:

Allan,	King, Mackenzie (Prince Albert),
Beaubien,	Lacombe,
Benoit,	Lacroix,
Bertrand,	Laflamme,
Bettez,	Lapointe,
Blanchard,	Letellier,
Bouchard,	Macdonald (Glengarry),
Boucher,	MacLean (Prince),
Bourassa,	McIntosh,
Bowman,	McKenzie,
Bradette,	McMillan,
Cahill,	Marcil,
Carmichael,	Morin,
Casgrain,	Motherwell,
Cayley,	Perras,
Chevrier,	Pouliot,
Delisle,	Power,
Denis,	Prévost,
Desaulniers,	Ralston,
Deslauriers,	Raymond,
Dionne,	Rinfret,
Dubuc,	Roberge.
Duff,	Robitaille,
Dumaine,	Sanderson,
Dunning,	Séguin,
Dupuis,	Sinclair (Queens),
Fafard,	Smith (Stormont),
Fiset (Sir Eugène),	Spotton,
Girouard,	Telford,
Gray,	Totzke,
Hall,	Young (Weyburn).—65.
Hepburn,	
Howard,	
Jenkins,	

NAYS

Messrs:

Adshead,	Fraser,
Anderson (Toronto-High Park),	Gardiner,
Anderson (Halton),	Garland (Bow River),
Bancroft,	Garland (Carleton),
Barber,	Gershaw,
Bell (St. John-Albert),	Glen,
Bennett,	Grimmer,
Bird,	Hanson,
Black (Yukon),	Harris,
Black (Halifax),	Heaps,
Blatchford,	Hocken,
Bock,	Ilsley,
Bowen,	Irvine,
Boys,	Jelliff,
Brady,	Johnston (Long Lake),
Brown,	Jones,
Campbell,	Kaiser,
Casselman,	Kellner,
Chaplin,	Ladner,
Charters,	Lang,
Coote,	Lawson,
Cowan,	Lovie,
Crerar,	Lucas,
Dickie,	Luchkovich,
Donnelly,	Macdonald (Kings),
Esling,	MacLaren,
Evans,	McLean (Melfort),
Fansher (Last Mountain),	MacNutt,
Fansher (Lambton East),	Macphail (Miss),
	McGibbon,
	McGregor,
	McPherson,

McRae,
Manion,
Maybee,
Millar,
Milne,
Murphy,
Neill,
Pettit,
Plunkett,
Rennie,
Robinson,
Ross (Kingston City),
Ross (Moose Jaw),
Rowe,
Ryckman,
Senn,
Simpson,
Smoke,
Speakman,
Spence,
Spencer,
Steedsman,
Stewart (Leeds),
Stinson,
Stirling,
Thompson,
Thorson,
Ward,
White (London),
White (Mount Royal),
Woodsworth,
Young (Saskatoon),
Young (Toronto Northeast).—94.

Mr. SPEAKER: The question is on the main motion.

Mr. JAMES ARTHURS (Parry Sound): In view of the events that transpired this afternoon, I would suggest that this bill be left over until another session so that it can be thoroughly digested by the people of the province of Ontario. I still believe that the great majority of the people of Ontario are not in favour of the principle of this bill, and therefore I move, seconded by the hon. member for Muskoka-Ontario (Mr. McGibbon), that this bill be not now read a third time but this day three months hence.

The house divided on the amendment (Mr. Arthurs), which was negatived on the following division:

YEAS

Messrs:

Allan,
Arthurs,
Beaubien,
Benoit,
Bertrand,
Bettez,
Blanchard,
Bouchard,
Boucher,
Bourassa,
Bowman,
Bradette,
Cahan,
Cahill,
Cardin,
Carmichael,
Casgrain,
Charters,
Chevrier,
Cotnam,
Delisle,
Denis,
Desaulniers,
Descoteaux,
Deslauriers,
Dionne,
Dubuc,
Duff,
Dumaine,
Dupuis,
Fafard,
Fiset (Sir Eugène),
Garland (Carleton),
Girouard,
Goulet,
Gray,
Hall,
Hepburn,
Howard,
Jenkins,
King, Mackenzie (Prince Albert),
Lacombe,
Lacroix,
Laflamme,
Langlois,
Lapointe,
Lavigueur,
Letellier,
Macdonald (Glengarry),
Macdonald (Kings),
Macdougall,
MacLean (Prince),
McGibbon,
McIntosh,
McMillan,
Maloney,
Manion,
Marcil,
Morin,
Motherwell,
Peck,
Perras,
Pouliot,
Power,
Prévost,
Quinn,
Ralston,
Raymond,
Rinfret,
Roberge,
Robitaille,
Rowe,
Ryerson,
St-Père,
Sanderson,
Séguin,
Sinclair (Queens),
Smith (Stormont),
Spotton,
Taylor,
Telford,
Totzke,
Veniot.—83.

NAYS

Messrs:

Adshead,
Anderson (Toronto-High Park),
Anderson (Halton),
Bancroft,
Barber,
Bell (St. John-Albert),
Bennett,
Bird,
Black (Yukon),
Black (Halifax),
Blatchford,
Bock,
Bowen,
Boys,
Brady,
Brown,
Campbell,
Cantley,
Casselman,
Cayley,
Chaplin,
Coote,
Cowan,
Crerar,
Dickie,
Donnelly,
Dunning,
Esling,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Gardiner,
Garland (Bow River),
Gershaw,
Glen,
Grimmer,
Hanson,
Harris,
Hay,
Heaps,
Hocken,
Ilsley,
Irvine,
Jelliff,
Johnston (Long Lake),
Johnstone (Cape Breton North-Victoria),
Jones,
Kaiser,
Kellner,
Kennedy,
King (Kootenay East),
Ladner,
Lang,
Lawson,
Lennox,
Lovie,
Lucas,
Luchkovich,
MacLaren,
McLean (Melfort),
MacNutt,
Macphail (Miss),
McDiarmid,
McGregor,
McPherson,
McRae,
Matthews,
Maybee,
Millar,
Milne,
Murphy,
Neill,
Pettit,
Plunkett,
Rennie,
Robinson,
Ross (Kingston City),
Ross (Moose Jaw),
Ryckman,
Senn,
Simpson,
Smoke,
Speakman,
Spence,
Spencer,
Steedsman,
Stevens,
Stewart (Leeds),
Stinson,
Stirling,
Thompson,
Thorson,
Ward,
White (London),
White (Mount Royal),
Woodsworth,
Young (Saskatoon),
Young (Toronto Northeast),
Young (Weyburn).—100.

Mr. G. H. PETTIT (Welland): I move, Mr. Speaker, seconded by the hon. member for Toronto-Scarborough (Mr. Harris), that the question be now put.

The house divided on the motion (Mr. Pettit) which was agreed to on the following division:

YEAS

Messrs:

Adshead,
Anderson (Toronto-High Park),
Anderson (Halton),
Arthurs,
Bancroft,
Barber,
Bell (St. John-Albert),
Bennett,
Bird,
Black (Yukon),
Black (Halifax),
Bock,
Bowen,
Bowman,
Boys,
Brady,
Brown,
Campbell,
Cantley,
Casselman,
Cayley,
Chaplin,
Coote,
Cowan,
Crerar,
Dickie,
Donnelly,
Dunning,
Esling,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Gardiner,
Garland (Bow River),
Geary,
Gershaw,
Glen,
Grimmer,
Hanson,
Harris,
Hay,
Heaps,
Hocken,
Ilsley,
Irvine,
Jelliff,
Johnston (Long Lake),
Johnstone (Cape Breton North-Victoria),
Jones,
Kaiser,
Kellner,
Kennedy,
King (Kootenay East),
King, Mackenzie (Prince Albert),
Ladner,
Lang,
Lawson,
Lennox,
Lovie,
Lucas,
Luchkovich,
MacLaren,
McLean (Melfort),
MacNutt,
Macphail (Miss),
McDiarmid,
McGregor,
McKenzie,
McRae,
Matthews,
Maybee,
Millar,
Milne,
Murphy,
Neill,
Pettit,
Plunkett,
Rennie,
Robinson,
Ross (Moose Jaw),
Rowe,
Ryckman,
Senn,
Simpson,
Smoke,
Speakman,
Spence,
Spencer,
Steedsman,
Stevens,
Stewart (Edmonton West),
Stewart (Leeds),
Stinson,
Stirling,
Thompson,
Thorson,
Ward,
White (London),
White (Mount Royal),
Woodsworth,
Young (Saskatoon),
Young (Toronto Northeast),
Young (Weyburn).—104.

NAYS

Messrs:

Allan,
Beaubien,
Benoit,
Bertrand,
Bettez,
Blatchford,
Bouchard,
Boucher,
Bourassa,
Bradette,
Cahan,
Cahill,
Cardin,
Carmichael,
Casgrain,
Charters,
Chevrier,
Cotnam,
Delisle,
Denis,
Desaulniers,
Descouteaux,
Deslauriers,
Dionne,
Dubuc,
Duff,
Dumaine,
Dupuis,
Fafard,
Fiset (Sir Eugène),
Garland (Carleton),
Girouard,
Goulet,
Hall,
Hepburn,
Howard,
Jenkins,
Lacombe,
Lacroix,
Laflamme,
Langlois,
Lapointe,
Lavigueur,
Letellier,
Macdonald (Glengarry),
Macdonald (Kings),
Macdougall,
MacLean (Prince),
McGibbon,
McIntosh,
McMillan,
Maloney,
Manion,
Marcil,
Mercier (Laurier-Outremont),
Morin,
Motherwell,
Peck,
Perras,
Pouliot,
Power,
Prévost,
Quinn,
Ralston,
Raymond,
Rinfret,
Roberge,
Robitaille,
Ryerson,
St-Père,
Sanderson,
Séguin,
Smith (Stormont),
Spotton,
Taylor,
Telford,
Totzke,
Veniot.—78.

Mr. SPEAKER: The question now is on the main motion.

Mr. McGIBBON: Mr. Speaker, I direct your attention to the fact that it is nine o'clock.

Mr. WOODSWORTH: Mr. Speaker—

Mr. McGIBBON: Mr. Speaker, again I direct your attention to the fact that it is now nine o'clock.

Mr. SPEAKER: Standing order 15 of the House of Commons provides that the business of the house on a Tuesday, being a government day, starts with government notices of motion and continues with government orders, public bills and orders, questions and notices of motion, and from 8 to 9 o'clock p.m. private and public bills, the former having precedence.

The motion adopted by the house a moment ago was that the previous question be now put. What is that previous question? Standing order 55 states:

> The previous question, until it is decided, shall preclude all amendment of the main question, and shall be in the following words, "That this question be now put." If the previous question be resolved in the affirmative, the original question is to be put forthwith—

Note the word "forthwith."

—without any amendment or debate.

I consider that the vote of a majority of the members of the house on the motion which has been put in my hands by the hon.

member for Welland (Mr. Pettit) is of the nature of a mandate, and that whether or not it is after nine o'clock the procedure must be completed and the vote on the main motion must be taken forthwith. I shall therefore now put the main motion. It is moved by Mr. Woodsworth and seconded by Mr. Evans that Bill No. 20, to provide in the province of Ontario for the dissolution and annulment of marriage, be now read a third time. Is it the pleasure of the house to adopt the motion?

The house divided on the motion, which was agreed to on the following division:

YEAS

Messrs:

Adshead,
Anderson (Toronto-High Park),
Anderson (Halton),
Bancroft,
Barber,
Bell (St. John-Albert),
Bennett,
Bird,
Black (Yukon),
Black (Halifax),
Blatchford,
Bock,
Bowen,
Boys,
Brady,
Brown,
Campbell,
Cantley,
Casselman,
Cayley,
Chaplin,
Coote,
Cowan,
Crerar,
Dickie,
Donnelly,
Dunning,
Esling,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Gardiner,
Garland (Bow River),
Geary,
Gershaw,
Glen,
Grimmer,
Hanson,
Harris,
Hay,
Heaps,
Hocken,
Ilsley,
Irvine,
Jelliff,
Johnston (Long Lake),
Johnstone (Cape Breton North-Victoria),
Jones,
Kaiser,
Kellner,
Kennedy,
King (Kootenay East),
Ladner,
Lang,
Lawson,
Lennox,
Lovie,
Lucas,
Luchkovich,
MacLaren,
McLean (Melfort),
MacNutt,
Macphail (Miss),
McDiarmid,
McGregor,
McKenzie,
McRae,
Matthews,
Maybee,
Millar,
Milne,
Murphy,
Neill,
Pettit,
Plunkett,
Rennie,
Ross (Moose Jaw),
Ryckman,
Senn,
Simpson,
Smoke,
Speakman,
Spence,
Spencer,
Steedsman,
Stevens,
Stewart (Edmonton West),
Stewart (Leeds),
Stinson,
Stirling,
Thompson,
Thorson,
Ward,
White (London),
White (Mount Royal),
Woodsworth,
Young (Saskatoon),
Young (Toronto Northeast),
Young (Weyburn).—100

NAYS

Messrs:

Allan,
Arthurs,
Beaubien,
Benoit,
Bertrand,
Bettez,
Blanchard,
Bouchard,
Boucher,
Bourassa,
Bowman,
Bradette,
Cahan,
Cahill,
Cardin,
Carmichael,
Casgrain,
Charters,
Chevrier,
Cotnam,
Delisle,
Denis,
Desaulniers,
Descoteaux,
Deslauriers,
Dionne,
Dubuc,
Duff,
Dumaine,
Dupuis,
Fafard,
Fiset (Sir Eugène),
Garland (Carleton),
Girouard,
Goulet,
Hall,
Hepburn,
Howard,
Jenkins,
King, Mackenzie (Prince Albert),
Lacombe,
Lacroix,
Laflamme,
Langlois,
Lapointe,
Lavigueur,
Letellier,
Macdonald (Glengarry),
Macdonald (Kings),
Macdougall,
MacLean (Prince),
McGibbon,
McIntosh,
McMillan,
Malcolm,
Maloney,
Manion,
Marcil,
Mercier (Laurier-Outremont),
Morin,
Motherwell,
Peck,
Perras,
Pouliot,
Power,
Prévost,
Quinn,
Ralston,
Raymond,
Rinfret,
Roberge,
Robitaille,
Rowe,
Ryerson,
St-Père,
Sanderson,
Séguin,
Sinclair (Queens),
Smith (Stormont),
Spotton,
Taylor,
Telford,
Tobin,
Totzke,
Veniot.—85.

Mr. MERCIER (St. Henri): I was paired with the hon. member for West Hamilton (Mr. Bell). Had I voted, I would have voted against the third reading of this bill.

Mr. SANDERSON: Mr. Speaker, I wish respectfully to draw to your attention the fact that it is now 9.30 o'clock; when the vote was recorded it was past nine o'clock, the time allotted for private bills.

Some hon. MEMBERS: Order.

Mr. SANDERSON: For the moment I have the floor and I have not finished.

Mr. SPENCE: You are wasting time.

Mr. SANDERSON: Will the hon. member sit down for a moment? All I want is the Speaker's ruling.

Mr. SPEAKER: I already have given a ruling. In my own knowledge, when considering matters of urgent importance, the House of Commons has sat even on Sunday,

though the house does not sit on Sunday. Notwithstanding standing order 15, in view of the announcement which has been made that parliament will soon be dissolved, I think that it is only fair to the house and to the sponsor of this bill that the procedure should be completed.

Mr. McGIBBON: Will Your Honour be good enough to say whether you consider this bill a matter of urgent importance?

Mr. SPEAKER: I have no desire to discuss my ruling.

Mr. ERNST: I was paired with the hon. member for Bellechasse (Mr. Boulanger). Had I voted, I would have voted for the bill.

Mr. GEARY: I was paired with the hon. member for Laurier-Outremont (Mr. Mercier). Had I voted, I would have voted against both amendments.

Mr. BOTHWELL: I was paired with the hon. member for East West Peterborough (Mr. Peck). Had I voted, I would have voted for the third reading of this bill.

Mr. VALLANCE: I was paired with the hon. member for Vancouver-Burrard (Mr. Clark). Had I voted, I would have voted for the third reading of this bill.

Mr. BOURGEOIS: I was paired with the hon. member for Westmorland (Mr. Price). Had I voted, I would have voted against the third reading of this bill.

Mr. SPEAKER: Mr. Woodsworth moves, seconded by Mr. Evans, that the said bill do now pass and the title be as on the order paper.

Motion agreed to on division and bill read the third time and passed.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed consideration of the motion of Hon. Charles A. Dunning that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Bennett.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, a strange thing has happened—at last the calm of unanimity has fallen upon the troubled sea of Canadian politics. I have never seen a budget as safe as this one; it is going to be safe whether we defeat the government or whether we do not. That is a rather extraordinary situation.

I would refer for a moment to the classical and shall I say sacred allusions of the hon. leader of the opposition (Mr. Bennett). When one sees the malefactors of one party consorting so intimately with the five virgins on the front line benches on the other side, one is at a loss to know just exactly what attitude to take. I have not been able to accommodate myself to this extraordinary situation. I have been so accustomed to the clash of arms on the old historic battlefield that at the moment I am not quite sure how to acquit myself. The budget, however, is with us and it seems to be fairly safe. All budgets of my experience in parliament are political documents rather than business statements. The present budget, drafted as it was by a very astute politician having a view to a coming election, might be expected to serve certain interests, and indeed it would be almost a miracle if there were not found here and there through it a certain amount of political humbug. I cannot work myself into any kind of frenzy over any budget. In my opinion parliament and the people of Canada as a whole attribute to budgets a great deal more than they merit. If we strip them from their political significance and inquire as to what the actual economic position will be in the Dominion of Canada after the application of the budget, we shall find the alterations to be so insignficant as to be almost unworthy of mention.

I am free, I think, to speak quite frankly about the budget notwithstanding the rather unusual alterations in the incidence of taxation, because of the fact that I have never been a doctrinaire either of the Manchester school or of protectionism. I have always regarded that question as being not an economic one. Indeed, I have said more than once—and I will say it—that the way in which we raise our revenue does not affect the economic situation in a fundamental way although it does make a great deal of difference as to how the burden of taxation is distributed among the classes within the Dominion of Canada. I have never been able to see how we can bring prosperity to Canada either by raising the tariff a little or by lowering it a little either on this or on that. The politico-economic policy which Canadians are looking for to-day will have to be much more fundamental than merely a tinkering with the tariff, whether that tinkering be up or down. Who will say that the economic solution for the problem which confronts Canada, and for that matter all countries of the civilized world to-day, can be found by merely working with the tariff?

The budget before us just missed being clever by being a little too obvious. The Minister of Finance (Mr. Dunning) may, I think, be congratulated upon his herculean efforts to please everybody, even the Tories.

I am reminded of this situation: the Minister of Finance says to the people of Canada: Hang up your socks; Santa Claus is about to appear. Then he points to a huge pile of beautiful parcels put up in nice gilded paper and tied with suitable ribbon, and he says: You will get one of those in your sock, but you must not open it until after the election. I am just afraid that when they open those parcels they will be somewhat disappointed with the contents. I do not mind saying frankly to the minister that the quicker the election comes the better for the budget; for when we begin to investigate its details it does not turn out to be quite as good as it sounded when the minister was delivering his budget speech. It is part of the irony of fate that it should have fallen to the lot of the first western Minister of Finance to drop the cut flowers of British preference on the mangled corpse of free trade. But I have great sympathy with the hon. gentleman in that regard. I am not going to charge him with inconsistency. If I did, I would of course have to quote his classical utterance about going forward cautiously, and so forth. But I am not interested in his consistency in political matters.

The Liberal party in its present policy is, I think, for once at least frankly honest so far as the tariff is concerned; it has come out squarely for protection. The question in Canada is no longer whether we want to have higher or lower tariffs, whether we shall vote for a party that is going to increase the tariff to a very high degree or for one that is going to reduce it gradually until it reaches the vanishing point. The only question before the people of Canada when we go to them very shortly is whether we regard the present Prime Minister (Mr. Mackenzie King) or the leader of the opposition (Mr. Bennett) as the better man to carry into effect a protectionist policy in the Dominion. I believe that is rather a good thing in itself in one way, that is that we shall get away at least for one election from the old humbug of tariff discussion which has befuddled the minds of the Canadian people for sixty years. On the other hand, I frankly state I expected a good deal more from the Liberal party than that. It is probable, however, in view of all the circumstances they have done all they could do with the tariff. But what shall I say of Liberalism?

Miss MACPHAIL: It has disappeared.

Mr. IRVINE: The Prime Minister some years ago described Liberalism as a facing forward. Every little Liberal was born with his face to the front and every little Tory was born with his face to the rear. That was the description given by the Prime Minister, if I recall correctly, in telling us what Liberalism stood for. If Liberalism is a facing forward, I wonder where it is in Canada now. I am asking and I hope that many Canadian people to-day are also asking for a leadership in a new economics that will bring Canada into the forefront of the nations of the world in solving the great problems which the industrial processes have left right on the very step of our door. I am looking for leadership that will break with the past, dutsy, musty, mediaeval policies which have rung through every election of my memory and that for once is really looking forward and is courageous enough to apply a policy which will fit the economic necessities of Canada at this hour.

Where shall I find that leader? May I expect the present Prime Minister to be that leader? I hardly expect the Prime Minister to accept a suggestion from a back bencher in a group which he may regard as an alien one. Nevertheless, I hope that as a reasonable man, when he reads Hansard to-morrow, he will not disparage a suggestion even from such a source without that degree of reflection which he owes to his own intelligence. When he does examine Hansard, as I have no doubt he will, to discover the pearls of wisdom and truth which I am about to give him, I want to ask him if I may regard him as the new leader of the new economics in Canada, or must I turn to the leader of the opposition for that leadership, or must I come to the little group that sits around me here to find the germ of that new political philosophy which we have been awaiting for so long?

I insist that Canada needs a new economic policy, and she needs it so badly that some of these days someone is going to arise to provide it. Why not the Prime Minister? He does not lack in courage. He does not, I think, lack in vision. He can see an opportunity waiting for him. If he fails, I hope that the Conservative leader will not fail. But if he does, then all I can say to the people of Canada is that we, the cooperative groups, shall have to take charge of the situation in the future.

Let me indicate very briefly that the old policy of tinkering with tariffs as a means of solving the economic problem would have to be abandoned, I think, if partisans would study conditions in other countries, some of which are protectionist and some of which have been trying to get along with free trade. I have here figures from Great Britain. I do not think that I shall have time to read them to the house, but I will indicate their import.

These figures show that gradually the wealth of Great Britain is being concentrated more and more into the hands of a very few people, leaving the country in general poverty, with a great number of unemployed and millions of people living on the border of starvation. That is an example from a free trade country.

Then I go to the United States and I find that so far as the concentration of wealth is concerned, the situation there is the same. I find that they also have a very great number of unemployed and that conditions there are similar to those that we find in Great Britain in so far as the masses of the people are concerned.

There you have the fruits of both policies which have hitherto been advocated in Canadian politics, and neither of which has proven to be satisfactory, so surely, I say, it is clear from the facts before us that a new policy must be found in Canada.

Let us look for a moment at the situation, for the situation must determine what the policy shall be. I shall enumerate some of the factors which must enter into our study of a matter of this kind. First we must take cognizance of the vast wealth which Canada possesses in the form of natural resources. These have been talked about at great length all over Canada for many years. The next factor is that we have highly skilled labour, as highly skilled, I believe, as that of any other country in the world. Next we have the plant equipment, real or potential, that is equal to producing all of the goods that are required by the people of Canada. Surely then in the face of these circumstances no Canadian should ever go hungry; no Canadian should ever lack for a place to sleep; no Canadian should ever lack for an occupation in the production of these necessities of his own life; and yet last year in Canada many Canadians did not have enough to eat and had to exist on charity, and there were very many in this country who had no place to sleep, and very many who had no work to do.

The problem, therefore, to be solved is how to feed a population of nine millions of people and maintain them in comfort and reasonable happiness in the midst of our almost incalculable natural wealth. Being heirs as we are of all the ages of industrial wealth and equipment, that does not look to be a very difficult problem as we state it, and yet so far it has baffled the Canadian parliament. It has baffled all governments in Canada so far, and here we are launching into another election with the same old plaster that we stuck on the body politic sixty years ago. It is true that there is an agreement between the Conservative party and the Liberal party in respect to this policy, but I wish to tell both parties very frankly that I do not agree with that policy. I might agree that they have both perhaps found the very best way of imposing a tariff, and that the tariff in some instances may be necessary. I am not discussing that. But I say that as an economic policy the tariff is pitiably inadequate, and it certainly cannot satisfy the hon. members who sit around me here. Neither can I see how it will meet with any approval on the part of the working masses in Canada. Certainly it contains little if anything for the agricultural population of the country.

Let me insist, Mr. Speaker, that one of the things that we lack much more than a protective tariff is consumers' purchasing power. To-day, under the financial system in vogue in this country and supported by both parties in this house, a financial system which I think neither of the party leaders dare take issue against, credit is issued only in channels of production. Credit is never issued to assist consumption, and yet consumption is the only intelligent aim of all production whatsoever. Lacking the purchasing power to make consumption possible, we defeat the ends of production and bring on unemployment and economic chaos, piling up always a surplus of goods that cannot be sold; and a surplus under the present system unfortunately means starvation for many. So I say that we need an efficient industrial organization so that we may be able to produce all the necessary goods. We require a proper and equitable distribution of the opportunity to labour so as to tide ourselves gradually over the period of unemployment which is connecting the individualist and competitive system with the approaching commonwealth.

We need next adequate distribution, providing sufficient purchasing power to buy our production at any given time. That involves the socialization of credit. It involves the socialization of credit because the individualistic control of credit from its very nature cannot give us consumers' purchasing power. I shall not stop to go into an explanation of that, assuming as I always do that hon. gentlemen of this house are students of credit and understand precisely the implications of the socialization of credit. The present means of issuing credit under private ownership, under which credit is issued not for the purpose of performing its function as a distributor of goods, but for the purpose of performing a particular and specific function for the controllers of credit, namely, the provision of interest and profit, cannot for that very reason give us the necessary purchasing power to

which I have referred. So I say that we require a new policy. The present policy is responsible for many of the difficulties of agriculture. What is the use of producing wheat that cannot be sold? What is the use of producing boots that cannot be sold? That is the problem in Canada. The problem really is not whether we should raise the tariff on hay one cent or let straw in free from somewhere else. That is really not the economic problem of Canada. I do not hesitate to say that seriously, even challenging the opposition of my hon. friends opposite—or to my right for that matter. By the way, sir, there is no opposition in this house to-day except myself. I am the opposition; the house has agreed on the national policy of Canada.

Now, the present budget of course is an election budget, as I have pointed out. The election has been announced. I have described how these various parcels have been made up and how the people are in great expectancy respecting them. Let me turn now to brief consideration of some of the main phases of the budget.

An hon. MEMBER: Open the parcel first.

Mr. IRVINE: I am afraid to open the parcel as my hon. friend suggests, because I would not spoil the joy of surprise. You know, sir, anticipation in many things is really a much greater pleasure than realization, and far be it from me to destroy any joy which may come to any individual from anticipating the budget benefits that may accrue to him.

Let us look first of all at the extension of the British preference. Before I criticize the principal details of the budget, may I say, in fairness to the administration, that I have to congratulate them on having given some consideration to the voice of this house in some matters mentioned in the budget. I am not forgetting that last session we asked for the removal of the tax on a certain type of bonds; the government has now removed that tax. I am also keeping in mind the fact that we asked for the cancellation of the Australian treaty chiefly on the grounds of its extension to New Zealand by order in council, and I am not forgetting that in this matter the government has to a very large extent met our request. I want also to say that we moved last year for an extension of the British preference. I supported the motion myself. To-day the government has provided for its extension in a certain measure.

An hon. MEMBER: No, no.

Mr. IRVINE: Someone says, "No, no." I presume he read the budget in detail. At any rate he has opened the parcel. They have at least extended the scope of the British preference sentimentally. Having done so, I must give them credit for having listened to some extent to the voice of the house. That, I think, is a creditable thing for any government to do, otherwise this house would be much more foolish than it is,—I hesitate to say how much more.

With regard to the extension of the British preference, while I favoured this last session, as I have just said, I am not as enthusiastic over it now as I was then. I was not at all pleased with the reception of Canadian wheat in the British market. It is all very well to talk of kith and kin, but I do not think we can build up trade on kith and kin. It appears that the people of the Argentine were more kith than we were kin, for they sold more of their wheat to Great Britain than we were able to. As to the extension of the British preference, when the best that can be done has been done, I am afraid it will remain more of a sentiment than a commercial reality. Nevertheless, I am glad to buy any commodity from Great Britain which I can receive at a price and of a quality equal to that which I can get anywhere else. Without that there can be no trade with any country.

While I am in favour of the sentiment underlying the British preference, and would go as far as may be practicable in extending it, yet I do not think that any legislative means of bringing about imperial trade is likely to be of very great value. However, it must be said that our people desire the British preference extended, they have expressed themselves in favour of it on numerous occasions, and I cannot see that the government could do anything but respond to their demands in this respect. Moreover, it does provide a very effective reply in some respects to the raising of the tariff by the United States against Canada; at least it provides a sentimental reply.

But the extension of the British preference as announced in the budget unfortunately is much more apparent than real. There are, I think, over five hundred items mentioned by the Minister of Finance as being on the free list. Now, I intended to give that list to the house, but as the hon. leader of the opposition gave it very fully this afternoon, I shall merely refer to a very short list as illustrative of some things hitherto dutiable that are now admitted free: hogs, tallow, buckwheat, buckwheat pancake flour, barley, cornmeal, oats, rye, rye flour, wheat, hay and straw. Now, hon. members will readily see that these things have no meaning except as they enter into the total number of the five hundred items put on the free list; so far as having any value in relation to trade, they have none

now, and I cannot conceive a time when they will have any. Does anybody expect that we shall ever import large quantities of hay and straw from Great Britain? I hope that hay and straw are not suggestive in the minister's mind of the animal which he regards imperial trade to exemplify.

Mr. DUNNING: My hon. friend will permit me? He will at least do me the justice, I am sure, of admitting that I stated in the budget address that I proposed making free some fifty items in connection with which the trade with Great Britain had been and probably would be ineffective, because I regarded it as an absolute absurdity to have a tariff against Great Britain on hay and straw, or, for instance, on natural gas piped into the country. The purpose was just to eliminate that absurdity.

An hon. MEMBER: Why mention them?

Mr. DUNNING: Because I was eliminating them.

Mr. IRVINE: I hope, Mr. Speaker, you are paying attention to the time, because time is a very important element in a private member's speech. May I say to the hon. minister that it is not my intention to leave the impression that these are all the commodities that are given the benefit of the British preference. I am not trying to make an absurdity out of the entire budget. I am merely pointing out that a great number of these articles have no meaning, but may be counted in the pending campaign as having real significance when you merely total them up. On the other hand, I quite agree that the minister has not confined his revision to matters of this kind. There are other things that will count I hope, and I am very glad to congratulate the minister on having made the alterations.

Now, I have something to say about the other feature of the budget, that is, the increases; these have not yet been touched on at all. Let us take, for instance, tea. True, something has been said about tea already. I imagine the housewives of Canada think they are going to have a cheaper cup of tea than ever before, and yet when they put a certain kind of sugar in it they will have a much dearer cup of tea than they have had for many years. The tariff on sugar, I understand, has been raised 325 per cent.

Mr. DUNNING: My hon. friend is quite wrong; sugar has not been touched at all.

Mr. IRVINE: I have here, I think, the actual quotation. Somebody says it is a different kind of sugar. I am not questioning what kind of sugar it is; I said it was sugar; and that is all I have to say about it.

Mr. DUNNING: Does my hon. friend know what invert sugar is?

Mr. IRVINE: Yes, I like it in my tea.

Mr. DUNNING: Invert sugar!

Some hon. MEMBERS: Oh, oh.

Mr. IRVINE: The tariff on invert sugar is raised 325 per cent. At any rate when you put the tea with the sugar it is a bad proposition.

Mr. DUNNING: It surely is.

Mr. IRVINE: I would call attention also to the fact that the 50 per cent empire-wages-and-materials regulation has not been touched at all. I may also point out to the minister that boots and shoes and textiles remain as they were. We might do with some trade from Great Britain in these matters; such trade might cheapen the purchase of boots and shoes by the Canadian people. Also it is altogether likely that if the British preferential tariff applied clothing might be supplied a little cheaper. I do not think however that such a policy would be popular in Montreal; in fact I have an idea that it would not be. I do not suggest for one moment that that is the reason why the hon. minister did not include it; perhaps he did not notice it when he was hastily preparing the budget. I am sure, however, that it would make a great deal of difference to the consumers' league and it no doubt would be beneficial to the hon. member for Weyburn (Mr. Young). At any rate the tariff reductions on goods from our natural market have been apparently abandoned; there are increases in this regard.

I wish to refer particularly to iron and steel, and I take those commodities because I believe they afford a good example. The hon. minister mentioned that they were two of the most important items. I am not opposing the statement made by the minister and I am not opposing the companies whose names I shall mention in regard to it, but I merely mention these industries in order to get information from the minister as to why he made the tariff increases which he did make in respect to them. To my mind the reason for the raising of this tariff would be of extreme interest and would be quite illuminating. I wish to quote certain facts in connection with some companies which will be affected; and I shall first refer to steel stocks. During the last few years steel stocks have done very well. Taking $100 as the average price in 1926 the value to-day is represented by the figure $231; that is, they are worth

two and one-third times as much as they were worth in 1926. Let us look at the real profits of some of these companies; take as one example the British Empire Steel Corporation. They show a profit in 1929 of $6,046,647, which has risen from $4,187,403 in 1928. These are gross figures from which interest on bonds, and so on, had to be deducted. The company laid aside for sinking fund, depreciation and depletion the neat sum of $2,093,344 as compared with $1,478,017. After paying bond interest and bond discount they arrived at a net profit of $2,226,636 in 1929 as against $855,938 in 1928, an increase in net profit after these generous allowances, of $1,370,698. This represents a substantial gain.

Someone has said that the man with the millions wonders from where the next million will come. Meanwhile let us see how some of the other companies were doing; let us take as another example The Steel Company of Canada Limited. You will be shocked to learn that it was struggling along with an income slightly in excess of $5,335,000. The following extract from the Financial Times will be illuminating:

> Manufacturing profits for the year amounted to $4,936,067 as compared with $4,051,705 in 1928 and $3,166,280 in 1927. To this was added investment income of $399,189 making a total income of $5,335,256. After deduction of sinking fund at $325,828; depreciation at $1,158,897; bond interest at $312,264; preferred dividends at $454,741; common dividends at $805,000 and pension reserve for employees at $300,000, there remained a surplus for the year of $1,978,526. Previous balance was brought forward at $12,042,376, making a profit and loss balance in the current report of $14,020,902.

There is the situation in respect to some of the companies which are affected by the extraordinary increase in the tariff on steel products.

An hon. MEMBER: There is no protection for steel workers.

Mr. IRVINE: I hear of none. When I reviewed the budget, to my mind there appeared to be one class of people who did not seem to profit; I refer to the labouring class. I cannot find that the minister had them in mind at all.

An hon. MEMBER: What about tea?

Mr. IRVINE: Oh, yes; there was some change in connection with tea, but that was offset by the change in sugar.

I shall now deal with the countervailing policy as announced. This represents a new development for the Liberal party. It is a new policy for Liberals and it is far more significant than any alteration which has been made in the budget in any shape or form; in fact it may be more important than all other alterations put together. Possibly there is an element of real good common sense in the policy if we are to continue with tariffs as we have decided to do. But why was it applied only to agricultural products? Surely if it is a good policy it ought to be extended to all other industries in Canada receiving protection. Of course as pointed out by the leader of the opposition (Mr. Bennett) it means that in future the tariff policy will be determined by countries other than Canada. In other words, the government has placed a bricklayer and a load of bricks on the tariff wall between Canada and the United States. It has instructed the bricklayer to go ahead and to lay bricks upwards when a brick is raised against Canada; it does not however say anything about laying bricks downwards. So I may assume that the whole downward revision policy has passed into oblivion; if it is a good policy why should it not work both ways? If a tariff is raised by any other country we raise our tariffs and if tariffs are lowered we reply by also lowering our duties accordingly; that might possibly be a fairer way of dealing with the situation. Both parties are committed to this principle of taxation and for that reason I would like to ask both of them to give a little consideration in the near future as to how they are going to equalize the burden of taxation when it falls unevenly upon the people of Canada.

At this time I wish to comment upon the income tax situation. I suggest that there ought to be an increase in the income tax, and the reason is this: although there were no alterations in the income tax last year, which was a very hard year in Canada, bad for the working people, unemployment existing to an unusual degree, bringing with it much poverty to many—notwithstanding those facts we took in by way of revenue from income tax some $9,700,000 more than we did in the previous year. That fact can be explained only in one way; it means that last year the rich people of Canada became richer than they had been in the previous year, notwithstanding the fact that there was poverty among the people. May I put it another way and say that the poverty of the Canadian people was greater because the wealthy class took in a little more last year than they did in the previous years. Since the wealthy people are the ones who are receiving the money, I think they should be the ones who should pay it out. To my mind nothing fairer could be expected from the administration than to increase the income tax in order to help to pay the debts of Canada.

Let me for one moment deal with debt reduction. I wish I had an hour to discuss this question because it is one of vast importance and involves much more than one can disclose in a few minutes.

Mr. DEPUTY SPEAKER: The hon. member has exhausted the time at his disposal.

Mr. IRVINE: I do not think, Mr. Speaker, that you made allowance for time taken off, but I shall submit to the order of the house.

Mr. R. S. WHITE (Mount Royal): Mr. Speaker, at the opening of the session I gave notice of a resolution in regard to the discrimination in taxation as between privately owned and publicly owned utility companies, having particular reference to light, heat and power companies. Opportunity, however, did not present itself for the discussion of that resolution, so I avail myself of this opportunity to address the house on the subject for a few moments.

As hon. gentlemen are aware, publicly owned utility companies are exempt from income tax. In the case of provincial enterprises that exemption is provided for by the British North America Act, which states:

No lands or property belonging to Canada or any province shall be liable to taxation.

Of course, so far as that exemption is concerned, nothing can be done by this parliament, but this exemption was extended to municipally owned utilities as well. On the other hand all privately owned utilities are subject to income tax, thus creating a discrimination which not only in my judgment, but also in the judgment of every fair-minded man, is unfair and indefensible.

Certain remedies have been suggested; one is to abolish the exemption which has been extended to municipally owned companies, but I fear that if such a course should be pursued the municipalities would hand over to the province the properties owned by them to be administered by the province, and so taxation would be escaped. Another suggestion is that the income tax should be levied upon the gross and not upon the net earnings, but in that case also I fear that municipal enterprises of this character would be handed over to the province, and so an attempt of this kind to equalize taxation would become ineffective.

In a word, in my judgment the only way to bring about equity in taxation—and surely that is something desired by every member of this house—is to abolish the income tax entirely with regard to public utilities. I do not intend to weary the house with extracts from the reports of privately owned companies bearing upon this question, except for just a brief moment. Taking it on the basis of the gross sale of electricity for municipal stations the result would be 3 per cent of $32,000,000, with regard to Ontario, or 3 per cent of over $44,000,000 with regard to the whole of Canada, so that there would be an increase of $1,320,000 annually in respect of income tax in the event of that tax being imposed upon publicly owned utilities. The gross revenue from the sale of electricity in Canada amounts to over $104,000,000 annually. Of this amount over $44,000,000 is derived in the province of Ontario and over $33,000,000 in Quebec. Of the Ontario receipts over $32,000,000 is furnished from publicly owned municipal stations, which pay no income tax at all, while in Quebec only a little over $1,000,000 is received in respect of municipal stations. The consequence is that the people of Ontario pay no tax on over $32,000,000 worth of electricity purchased, while the people of Quebec pay no tax on only about $1,000,000 worth of electricity purchased. This obvious discrimination is one I ask the Minister of Finance and the government to remove in justice to the people of the various provinces.

If it is not removed, what fair deduction can be made? We can only take it that the government desires to coerce the people of the province of Quebec who, in the exercise of their own free will and judgment, prefer privately owned corporations to publicly owned corporations; to compel the people of that province to turn over privately owned utility properties to the municipality or to the province. If that end were effected the whole income tax revenue now derived by the government so far as these corporations are concerned would disappear. It has been wittily said of the late naval conferences held in London that the delegates were actuated by "faith, hope and parity; these three, but the greatest of these is parity." Sir, what I ask this government, the members of this house to consider, with a view to bringing it about, is parity or equality of taxation upon public utitlities both publicly and privately owned.

Now I crave the indulgence of hon. members, Mr. Speaker, and ask the permission of the house, as I turn to the budget speech, to allow me to depart from the rule of the house which declares that a member shall not read his speech. I do that chiefly because I rarely take up the time of this house, so perhaps for that reason I may be granted this indulgence.

I desire to extend my personal congratulations to the Minister of Finance (Mr. Dunning) on the manner in which he discharged the onerous task laid upon him last Thursday. Much had been expected from him and I am sure that in this respect he did not disappoint his friends. In arrangement of matter, in avoidance of undue detail, in clarity of expression and in force of delivery, his speech was most admirable, confirming the confidence of his political supporters in his great ability and large capacity for work. Having said this much in deserved praise, I hope I shall be pardoned if I add, employing the words of a critic, that there was much in the speech that was new and much that was good; but what was new was not good and what was good was not new.

I most heartily applaud that portion of the hon. minister's speech which announced the adoption in part by the government of the protective features of Conservative policy—protection to agricultural interests, protection to iron and steel industries, and reduction of sales tax. These things have been for a long time pressed incessantly upon the government and never more strongly than during the present session of parliament. Now the coon has come down. These admirable features of the finance minister's speech are good but not new. What is new but not good is the handing over to other countries the making of the Canadian tariff of duties on certain classes of goods when imported into this country. Call the scheme countervailing, retaliation or what you please; by any name it smells as rank. If the flexible duties provision is retained in the tariff about to come into operation in the United States, it will continue to invest in the president the power to alter tariff rates by proclamation. Under the government proposals the plain inescapable position would be this: that neither customs officer nor importer would know with absolute assurance from day to day what rate of duty should be collected on these specified articles when imported into Canada. That assertion may seem to some be a grotesque exaggeration, but it is a fact. In my judgment the proper course would be to enact in the tariff such rates of duty as are required for the welfare of the agricultural classes of Canada in order to preserve to them their home market. The purpose of the countervailing duties can be neither concealed nor camouflaged. They are aimed at the United States and, as such, I certainly have no objection to them. What I do contend is that the variableness to which they are exposed should be removed and fixed definite rates adequately protective of Canadian farmers substituted.

There was an omission in the budget speech of the hon. the finance minister, which cannot have escaped observation. I refer to his failure to make any forecast of the financial results of the current fiscal year. Such forecast is almost invariably made by ministers of finance, chancellors of the exchequer, provincial treasurers, when making their annual financial statements. I do not wonder, however, at the silence of the finance minister on this point. He is heading for a deficit. The days of great surpluses of which world-wide prosperity permitted this government to boast and which were hailed by its supporters as evidence of heaven-born financial genius, are gone; I will not say never to return, because other men will soon occupy and other measures come from the treasury benches; but I am as certain as I am of my own existence that when the current fiscal year closes not a surplus of $44,500,000, but a deficit, will be shown in the public accounts. How can it be otherwise? From customs and excise taxes alone the revenue decreased by $14,100,000 in the last half of the fiscal year as compered with the coresponding period of the preceding year. The finance minister estimates a loss of $22,000,000 in sales tax from the reduction in rate just made; the income taxes based on 1929 incomes, a leaner year than 1928, may reasonably be expected to decline $10,000,000, and then there are tariff reductions which will involve a loss of revenue of an unknown but certainly not an insignificant amount. If the finance minister pulls through the current fiscal year with a net loss of revenue on consolidated account of less than $45,000,000, he will be lucky.

And then the expenditures; they have a persistent habit of going up. In the last fiscal year they were $22,500,000 more than 1928-29. The main estimates for the current year reveal no evidence of economy but quite the contrary—and the supplementary estimates have yet to come. Estimates are always large when an election is in the offing. Soldiers' pensions, which this house is gratefully and willingly extending, will make a further drain on the public revenues. So, Mr. Speaker, from the government standpoint the finance minister was well advised in withholding from the house and the country the information that the day of deficits has come.

I have referred to the sales tax. Greatly do I regret that this war impost has not been abolished this year as it should have been. There was force in the argument that to remove the tax in whole when it stood at 5 per cent would involve rather serious loss of merchants carrying stocks of tax paid goods, but that argument does not apply when the

tax has been cut down to 1 per cent. Hon. members looking into shop windows may have seen articles marked down from $1 to 99 cents, a reduction made without serious loss to the merchant. It costs as much to collect 1 per cent as to collect 10 per cent and in retaining the low rate—one-half per cent in the case of boots and shoes—the government also retains the cost of collection, to say nothing of the nuisance to merchants. It would have been infinitely better and more economical in the net, had the finance minister followed the course pressed upon him by the Conservative party, to abolish this war tax altogether.

Then, sir, we have the pièce de résistance, the head and front of the new departure in fiscal policy, namely, enlargement of the preferential tariff. History again repeats itself. I have to take memories of members, older men particularly, back four decades to the years 1889, 1890 and 1891, when the Liberal party fought the fight and staked its political fortunes upon a policy of unrestricted reciprocity with the United States. I know whereof I speak, for I was engaged in those struggles, and as I looked up in the library recently the utterances of Liberal leaders at that time, wandering, it may be among the tombs, it was melancholy to find that in a division list on unrestricted reciprocity in 1891, only one member of the 202 who voted, namely, myself, remains in this house. Interesting, indicative and informative as extracts from Liberal speeches and Liberal resolutions at that time are, I do not intend, Mr. Speaker, to weary the house with much quotation. The policy of the Liberal party upon which it fought the election of 1891, was commercial union, or as it was termed, unrestricted reciprocity with the United States. The tariff wall was to be swept away between the two countries and a common tariff erected against all other countries, including Great Britain. Two brief quotations will suffice to show the attitude of the Liberal party at that time, quotations taken from speeches by their financial adviser and one-time finance minister, Sir Richard Cartwright. Speaking in the House of Commons in the session of 1890, he said:

> If unrestricted reciprocity does discriminate against Great Britain, we have a right to. Our own interest is paramount. We owe Great Britain nothing but charity for her atrocious blundering against our interests. There never was a time when Canada could not have bettered her condition by joining the United States.

We must remember these are the words of an official leader of the Liberal party, declaimed in the House of Commons and loudly cheered by his supporters in that chamber.

[Mr. R. S. White.]

Again on February 4, 1891, speaking at Oshawa, Ontario, Sir Richard said:

> If free trade with the American nation will be good for us, let us vote for it, though it should involve discrimination against Great Britain twice over.

Mr. Speaker, I could continue to make quotations ad nauseam from Liberal leaders breathing the same disloyalty to Great Britain, the same eagerness to annex Canada commercially to the United States. Then what happened? The electors of Canada rejected the Liberal policy in 1891. Edward Blake gave it the finishing blow and then, in desperate plight, in hope of deodorizing the policy which literally stank in the nostrils of the Canadian people, the Liberal parliamentary party in 1892, less than twelve months later, turned a complete somersault, a volte face unprecedented in political history, and put forth the doctrine of preferential duties on British goods.

The Conservative party was not alarmed at this futile attempt of the Liberal party to wash away its sins. As Sir Robert Borden declared in the House of Commons on January 26, 1911:

> The Conservative party stands to-day as it stood in the past for the policy of reciprocity within the British Empire.

Time passed. In 1896 the Conservative party went down to defeat and the Liberals came into office. Fifteen years later they were again looking to Washington where Hon. Mr. Fielding and Hon. Mr. Paterson, acting on behalf of the Laurier government, entered into a reciprocity pact with the United States government that literally in respect of its durability was not worth the paper it was written on, a pact obnoxious to the people of Canada as had been the unrestricted reciprocity policy of twenty-one years before. Observe what the whirligig of time brings about with a political party of unstable principles:

(1) Opposition to fiscal protection.

(2) Commercial union with the highest protectionist country in the world.

(3) Preferential duties upon British goods.

(4) Again, reciprocity with the United States, and now,

(5) Extension of preferential rates upon British goods.

Surveying these gyrations in policy, this jumping from one extreme to the other, this blowing hot and blowing cold upon preferences in promotion of British trade, one is reminded of the lines of James Russell Lowell:

> A marciful Providence fashioned 'em holler,
> In order that they might their principles swaller.

Before I dismiss this branch of the subject, let me point out that, greatly as we on this

side of the house desire to promote trade within the British commonwealth of nations, efforts thus far made have not brought successful results. The preferential tariff, as we have had it under Conservative and Liberal governments for more than three decades, has not enabled Great Britain to displace United States commodities with her own in the Canadian market. In 1896, the year before the preferential tariff came into operation, Canada imported from countries within the British Empire, including, of course, the United Kingdom 33.4 per cent of her total imports and imported from the United States 50.8 per cent of her total imports; whereas in 1929, the percentage of Canadian imports from the British Empire had fallen to 20.3 per cent of the total, while imports into Canada from the United States had risen to 68.6 per cent. The table shows a steady trend, decade after decade, uninfluenced by tariff changes, preferential or otherwise, and it is a regrettable fact that in 1928-29, a year of abounding prosperity in Canada, our imports from the United Kingdom were only 15.3 per cent of the whole, as compared with an import of 68.6 per cent from the United States.

These figures, melancholy to those in whose breasts beat British hearts, prompt the thought: Why not try a policy of preference to Candian products? He who lives and labours in Canada is quite as important a member and as ardent a supporter of the British commonwealth as he who dwells in Great Britain or any other part of the Empire. Why not give him a chance? Why not frame the fiscal policy so that he may find work in farm, factory, forest, fisheries and mines? Should charity not begin at home? Yet, I have examined the revised tariff submitted by the hon Minister of Finance, have scanned its provisions with some care, and have yet to detect in it that open, frank, avowed creed that the Britisher domiciled in Canada has claims superior to a Britisher elsewhere; that, in a word, the policy of this country should be to encourage, assist and protect Canadians first and foremost, and after that, our fellow-subjects in other parts of the Empire. True it is that in a minor degree, some Canadian industries are sought to be helped in the tariff proposals, but in my judgment the gesture in this direction is inadequate. Yet, I do commend, as an adoption of the Conservative fiscal policy the words with which the Minister of Finance introduced the changes in the iron and steel schedule, when he said:

> In raising the schedule, the government has kept in mind, first, the national necessity of maintaining an efficient and self-reliant iron and steel industry supplying Canadian consumer demand at reasonable prices.

Not much "death-knell of protection" in that, Mr. Speaker; not much "free trade as they have it in England." I rejoice that the young low-tariff Lochinvar who came out of the west to lead to the support of the government the free traders of these provinces has at last partially seen the light, has at last changed his fiscal convictions—or should I say has temporarily submerged them, and has gloatingly, with the zeal of a convert, proclaimed "the national necessity of maintaining an efficient and self-reliant iron and steel industry."

Preferences, Mr. Speaker! In the course of his speech, the Minister of Finance declared:

> This budget is frankly framed to enable us to buy more freely from those countries which buy from us most freely those commodities which are of vital importance to us and in the confident belief that by this means we shall help to develop and stabilize export markets for our surplus products.

Does it ever occur to hon. gentlemen opposite that the country from which Canadians should buy most freely and to which Canadians should sell most freely is Canada? In doing this, we reap a double profit on the trade—the profit of him who produces, and of him who consumes. What above all is needed is preference for Canadians in the Canadian market, for all sorts and conditions of Canadians, whether they work with their hands or their heads, for the tiller of the soil, the toiler of the sea, the mechanic in the mill, the labourer at the loom and the maker of merchandise.

The removal of the duty on tea is not now made for the first time. As long since as 1882, nearly half a century ago, the Conservative government of that day struck off the duty which had been placed on this article by a Liberal government and gave the people what was called a free breakfast table. Tea remained free until 1918, when a duty was imposed as a war revenue measure, and for eight years, from 1922 to 1930, the present government retained the tax despite large surpluses of revenue. I am heartily glad that there has now been done what long ago should have been done when war taxes were being remitted or reduced.

Before I close, I have a tip for the finance minister which he may find useful. The Canadian merchant marine is still very much of a white elephant. Its operating loss last year was $879,000, and its profit and loss deficit has now reached the formidable sum of $52,722,000. My tip to the finance minister is to adopt the sage course of the Minister of Trade and Commerce (Mr. Malcolm) and so increase the subsidies out of the national treasury to vessels of the merchant marine

that the balance sheet of the latter will be enabled to show an operating profit, and, if the subsidies are made large enough, even a profit sufficient to pay interest on the debt due the Dominion government. Or course, the treasury position is not bettered, nor the burden on the people lightened, but the deception may deceive some.

Mr. Speaker, an election impends; an issue had to be found. The expected moral one failed, and so another is sought in a budget whose principal features have been appropriated from Conservative policy. It is all very amusing and very characteristic of politicians whose principles can be changed when they do not suit. I recall, as apt to the situation of the government, the story of the hunter who related to a friend how he had taken his gun and his dog and started out for game. Soon the dog unearthed a rabbit. Off they ran, over the plain, down the glen, and up the hill and over the plain again, with the dog steadily gaining, and just as it was about to pounce upon its prey the rabbit climbed a tree. "But," said the friend to whom the hunter was telling this story, "a rabbit cannot climb a tree." "I know that," he replied, "but this one had to."

On motion of Mr. Thorson the debate was adjourned.

On motion of Mr. Dunning the house adjourned at 10.50 p.m.

Wednesday, May 7, 1930.

The house met at three o'clock.

BUSINESS OF THE HOUSE

MOTION FOR CONTINUATION OF THE BUDGET DEBATE

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

That the provisions of standing order 28 respecting the committee of ways and means be suspended until debate on the budget brought down on May the first, instant, be concluded.

Standing order 28 provides that the Speaker shall leave the chair as a matter of course on Thursday and Friday, and this motion is simply to ensure Mr. Speaker remaining in the chair so that we may continue the budget debate.

Mr. STEVENS: Could we not let the motion stand until the hon. leader of the opposition (Mr. Bennett) is in his seat?

Mr. MACKENZIE KING: I have no objection, but it is a purely formal motion. However, it can stand until the leader of the opposition (Mr. Bennett) is here. I see that the hon. leader of the opposition is in his seat at the moment, and I would therefore move the motion now. As I explained, its purpose is simply to enable us to proceed should we so desire with the budget debate on Thursday and Friday with Mr. Speaker in the chair.

Hon. R. B. BENNETT (Leader of the Opposition): The only point I had in mind when thinking over the matter this morning was whether it might not be desirable to discontinue the discussion on the budget and go ahead with supply, rather than leave all the supply to be dealt with at the end of the session and then perhaps not be properly considered. It was in my mind whether that course would not be more in the public interest so far as time is concerned.

Mr. MACKENZIE KING: The motion would permit us to proceed with ways and means if we so desired, but we also have the right to proceed with supply, and I shall be glad to confer with my hon. friend as to what may be best to do in that regard.

Mr. BENNETT: Under those conditions the motion is quite acceptable.

Motion agreed to.

WEDNESDAY EVENING SITTINGS

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

That on Wednesday the 14th instant and subsequent Wednesdays to the end of the session the sittings shall in every respect be under the same rules provided for other days.

Motion agreed to.

FISH INSPECTION ACT

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved for leave to introduce Bill No. 134, to amend the Fish Inspection Act.

Mr. STEVENS: Explain.

Mr. CARDIN: One object of this bill is to remove a doubt as to the authority of the inspecting officer to inspect containers of fish before they are put on the market. A second amendment is to include under the act the inspection of fish oils and their containers. A third amendment provides for a change in the Inspection and Sale Act. At the present time the inspection of fish oil is made by the Department of Agriculture under the Inspection and Sale Act, which is administered by that department. That department agrees that this inspection should come under the

authority of the Department of Marine and Fisheries, and we are providing for a change in the law accordingly.

Motion agreed to and bill read the first and second times.

NATIONAL PARKS

Hon. CHARLES STEWART (Minister of the Interior) moved for leave to introduce Bill No. 135, respecting national parks.

He said: Mr. Speaker, the object of the bill is to establish the boundaries of the national parks, particularly those of the Banff and the Jasper parks in Alberta. It is not proposed to change any of the existing regulations, but to embody some of them in statutory form. Generally, the purpose is to place our national parks more under the control of parliament than they have been in the past. I will make a more extended explanation on the second reading of the bill.

Motion agreed to and bill read the first time.

UNOPPOSED MOTION FOR PAPERS

REMOVAL OF CAMP BORDEN AIRPORT TO TRENTON

Mr. BOYS:

For a copy of all conveyances, deeds, agreements, correspondence and other papers or documents, in any way relating to the acquisition of land in the vicinity of Trenton, Ontario, for the establishment of an airport, or in any way connected with or relating to the removal of Camp Borden.

BIOLOGICAL BOARD OF CANADA

INCREASE OF MEMBERSHIP FROM FIVE TO SEVEN

Hon. PIERRE J. A. CARDIN (Minister of Marine and Fisheries) moved that the house go into committee to-morrow to consider the following proposed resolution:

Resolved, that it is expedient to provide that the number of members who may be appointed by the minister to the Biological Board of Canada, under the provisions of the Biological Board Act, be increased from five to seven.

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.

VANCOUVER HARBOUR

PROPOSED DAM, LOCKS AND CAUSEWAY ACROSS SECOND NARROWS

On the orders of the day:

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, I have a clipping from the Vancouver Sun which I should like to draw to the attention of the Minister of Marine and Fisheries (Mr. Cardin). It has reference to a proposal for the construction of a very extensive dam and locks across the second narrows of Vancouver harbour, to replace the bridge which was damaged about a week ago. The press despatch says:

Plans for Causeway Prepared.
Dominion Has Data for Second Narrows Improvement.

Revelation that the Dominion government has prepared plans for a dam, locks and causeway over the second narrows to replace the present bridge was made yesterday by Alderman H. C. E. Anderson, of North Vancouver, chairman of the municipal ferries committee.

"I myself have seen these plans," Mr. Anderson stated. "I agree that it is the part of the Dominion government to provide safe and permanent means for the linking of the north shore municipalities and Vancouver. It is a necessary highway."

Will the minister indicate if those plans have been prepared and state the intention of the government with respect to the matter?

Hon. PIERRE J. A. CARDIN (Minister of Marine and Fisheries): I have no definite information on the subject. My view is that it comes rather under the Department of Public Works.

Mr. STEVENS: Would the minister or the Prime Minister draw it to the attention of the Minister of Public Works?

Mr. CARDIN: I will draw the attention of the Minister of Public Works to the matter and get the information.

Mr. STEVENS: For to-morrow?

Mr. CARDIN: Yes.

IMPORTATION OF FURNITURE

On the orders of the day:

Hon. R. J. MANION (Fort William): Mr. Speaker, the Minister of National Revenue (Mr. Euler) is not in his seat, but I hope the Prime Minister will draw to his attention a matter that I am about to mention. I should like to have tabled—and it would be for the information of the house generally—the regulations recently made as to the valuation of furniture imports for duty purposes, a question regarding which was asked yesterday.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I shall have pleasure in directing the attention of the Minister of National Revenue to the question.

IMPORTATION OF LUMBER

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): Might I ask the Prime Minister, in the absence of the Minister of National Revenue, if he will give the same treatment to lumber as has been accorded to furniture? I have in my hands a statement that birch and maple flooring sells in the United States at $89 a thousand. It is being dumped into Canada at $43 a thousand. Will the Prime Minister draw his minister's attention to this dumping so that he may deal with it?

Mr. MACKENZIE KING: I shall have pleasure in drawing the minister's attention to it.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Tuesday, May 6, consideration of the motion of Hon. Charles A. Dunning that Mr Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Bennett.

Mr. J. T. THORSON (Winnipeg South Centre): Mr. Speaker, no one will deny that the budget presented to this house last Thursday was a bold budget. That was to be expected from the present Minister of Finance (Mr. Dunning). When he occupied the important position of Minister of Railways and Canals he showed himself to be a courageous and aggressive minister. This was particularly exemplified when he changed the terminal of the Hudson Bay railway from Port Nelson to Fort Churchill. Western Canada will be grateful to him for that change and will thank him for the aggressive manner in which he has pushed towards completion the great Hudson Bay railway project. Last Thursday, he showed again as Minister of Finance the qualities of courage and aggressiveness that he displayed when he was Minister of Railways and Canals, and again Canada will have reason to be grateful to him for these qualities which he displayed.

No budget that has ever been introduced in the history of Canada has pleased everybody; this budget most certainly did not please hon. members opposite, if one might judge from the expressions which appeared on their faces as the budget speech was delivered. It obviously annoyed the hon. leader of the opposition (Mr. Bennett).

I am sure that everyone will be pleased with the record of public debt reduction that was announced by the Minister of Finance. During the past year our public debt was reduced by almost $80,000,000; that marks the peak of achievement in this respect in the history of this country. No other administration has equalled the record of this one during the past five years in the matter of public debt reduction; the reduction has amounted during the past five years to over $257,000,000. In fact no other country in the world engaged in the great war from its outset has equalled the record of Canada in the matter of public debt reduction.

An hon. MEMBER: What about the United States?

Mr. THORSON: It is a record of which Canada may be proud. It is a tribute to the great country in which we live; it is a tribute also to the resourcefulness of our people and to their ability to bear and their desire to lessen the burden of taxation cast upon them by the great war. Everyone will be pleased, too, with the reductions of taxation which were announced in the matter of sales tax and exemptions from income tax. According to estimates which have been made these will amount to almost $30,000,000 of tax reduction.

These are not however, the outstanding features of this budget, and they do not constitute the sole reasons for my support of it. I support this budget because it is a Canadian budget, made in Canada to meet Canadian needs and to meet a situation in Canada which actually exists.

Mr. CHAPLIN: And a situation which has existed for ten years.

Mr. THORSON: The objection has been raised that the budget is sectional in character. If the implications of that charge are properly understood I would not quarrel with the charge. The budget indicates a fundamental distinction between the policy of this administration and that of the opposition towards Canada's economic problems. Canada is not an economic entity; it is divided into sections whose economic needs are varied and widely divergent; it is apparent that those who were responsible for this budget clearly recognised that fact. The problem of the maritime provinces is not that of central Canada, and the problem of the manufacturer is not the same as that of the farmer on the western prairies or the farmer in our other agricultural areas.

An hon. MEMBER: Oh yes, it is.

Mr. THORSON: The Conservative party has sought to apply one panacea to all the economic ills of Canada, that of higher pro-

tection. The policy of this administration has been different; it has sought to inquire into the needs of the various sections of Canada and to meet those needs by the appropriate remedy so that all the sections might develop according to their requirements. This policy has been established in order to promote the economic harmony of Canada as a whole; that has been the policy of this administration and it has brought beneficial results to Canada. I favour the present budget because it is in accord with that Liberal policy which has achieved in recent years such great results throughout Canada.

A moment ago I said that no budget ever pleased everybody; there are items in this budget which do not please me. I am quite willing to admit that fact, but I support the budget as a whole in the belief that national progress is made by willingness to compromise; I accept this budget in that spirit of give and take which is so essential to the successful government of a country such as Canada. The Liberal party is not one of absolute free trade, although many of us would like to see free trade throughout the world. On the other hand it is most certainly not a party of extreme protection. It seeks to maintain an even balance between those two theories in accordance with the economic needs of Canada varied and divergent as they are.

As a Canadian and as a representative of western Canada I support the budget chiefly because of the substantial increase announced with regard to the British preference. In my opinion that increased British preference is beneficial to Canada as well as to Great Britain. It is of particular importance to the people of western Canada and I shall therefore confine my remarks largely to those features of the budget which deal with increases in the British preference.

Our natural channels of trade have been north and south, but the attitude towards us of our southern neighbour in recent years, with its protectionist theory running mad and with every possible effort being made to exclude Canadian imports from her markets, has changed the ordinary course of trade for Canada. We have been forced—to our advantage, it is true—into a policy of trade with the world; as a result we are now trading with one hundred and five different countries. We have searched for favourable markets for our products; we have entered into preferential trade agreements with those countries which have expressed a willingness to trade with us. We have refused to engage in tariff wars While the rest of the world has raised its tariffs, we in many respects have reduced ours. What has been the result? The result has been that Canada has made greater progress in the matter of foreign trade than has any other country in the world. At the end of 1928, while Canada was twenty-eighth amongst the countries of the world in the matter of population, she was fifth in the total volume of her foreign trade, fifth in the total volume of her export trade, fifth in the total volume of her import trade, fifth in her imports per capita, second in her exports per capita, and second in her foreign trade per capita. Only the United States, Great Britain, Germany, and France exceeded Canada in the total volume of their foreign trade. The problem of finding markets for our products is the greatest economic problem which now confronts us. So far we have had remarkable success in the solution of that problem; particularly is this true with regard to our exports of manufactured goods. Few people realize the success which we have achieved. To-day Canada exports more of manufactured goods per capita than any other country in the world. I have before me the record in this respect of the five leading countries of the world. The figures are given in exports of manufactured goods per capita of population and are as follows: Canada, $64.80; Great Britain, $55.80; Germany, $32.68; France, $30.58, and United States, $25.13. If we leave out our nearest competitor, Great Britain, we see that Canada exports more than twice as much of manufactured goods per capita as any other country in the world.

The leader of the opposition referred to our unfavourable trade balance for the fiscal year just ended, but he omitted to tell the House that it was the first unfavourable trade balance that we have had in Canada for many years. For the fiscal year ending March 31st 1929 our favourable trade balance was $123,216,984, while for the fiscal year just ended our unfavourable trade balance was $103,335,512. That was due to one cause only, our reduced exports of grain and flour. If we leave out of consideration our exports of grain and flour we shall find that our other exports increased by $23,892,074. Our exports of grain and flour alone decreased by $267,343,444. That decrease during the past fiscal year in our exports of grain and flour was due partly to our reduced crop in 1929 and partly also to our inability to market the crop we had.

This change in our trade balance brings home to us in Canada the importance of our largest industry and the extent to which we

depend upon it for our prosperity. The change in our balance sheet brings home to us more clearly than ever before the importance of our marketing problem particularly in so far as our grain is concerned. Obviously our home market is insufficient to absorb our grain production, and we are dependent and must be dependent upon buyers abroad. If we wish to sell to them we must be willing to buy from them. Why not then buy from those countries which are willing to buy from us? During recent years the United States has shown a desire to shut out Canadian goods from her markets, and we must seek markets elsewhere for those goods which formerly were exported to the United States. We must continue our policy of trading with those who are willing to trade with us. One of the objects of this budget is to accomplish that diversion of trade made necessary by the recent unfriendly tariff action of the United States towards Canada. With that object I am entirely in accord. In that respect this is a Canadian budget.

During the past summer it was a favourite pastime of the hon. leader of the opposition to refer to our adverse trade balance with the United States. He did not so often refer to our favourable trade balance with Great Britain, and rarely if ever, mentioned our favourable trade balance with the world at large. For a moment let me place before you, Mr. Speaker, the figures relating to our trade relations with our two greatest customers. Our trade with the United States shows that for the fiscal year 1929 our imports from the United States amounted to $868,012,229, and our exports to $521,267,087. For the fiscal year 1930 our imports amounted to $847,466,079 and our exports to $536,611,950. During the past fiscal year our imports have decreased by over $20,000,000 while our exports have increased by over $15,000,000, yet our unfavourable trade balance with the United States is almost $300,000,000. On the other hand our trade with Great Britain shows that during the fiscal year 1929 our imports were $194,041,381 and our exports $431,660,941; in 1930 our imports amounted to $189,178,156 and our exports to $283,274,555. Our imports from Great Britain have decreased by almost $5,000,000, but our exports have also decreased by over $150,000,000. The United States is our greatest customer for our exports and the greatest source of our imports; Great Britain comes next in both respects. Having regard to the tariff changes which have recently been made in the United States against Canadian imports it is altogether likely that now Great Britain will become our greatest purchaser of Canadian exports. It is desirable, if not necessary, to adjust more evenly our trade balance between these two countries. I welcome any proposals in this budget which will accomplish that object. I believe that the tariff items in this budget showing an increase in the British preference are items of that nature and will accomplish the object which we have in mind. I am prepared to support the budget on that ground alone.

No doubt we in Canada shall continue to import from the United States, regardless of how much we sell to that country, a very large volume of our total imports but we shall do so for two very good reasons. In the first place it will pay the Canadian consumer to do so, and in the second place there is no other country from which Canada can so conveniently import many of the articles which she requires. We have no intention of waging any tariff war against any country and we do not intend to be led into tariff reprisals against any country, the only effect of which would be to compel the Canadian consumer to pay more for what he has to buy. However, I see no reason why we should not divert a very large portion of our import trade from the United States, which has shown its unwillingness to deal with us, to Great Britain, which is willing to deal with us. Therefore, Mr. Speaker, I am in favour of those items on which the British preference has been increased, because I think they will accomplish that diversion and bring about that necessary adjustment between our two countries.

During the course of the amazing contribution to the budget debate made by the hon. leader of the opposition last Thursday I asked him this question:

> Is the hon. member in favour of the British preference or not?

It was pardonable curiosity on my part, Mr. Speaker, that prompted the question, because no hon. member of the house could tell from what the hon. gentleman was saying whether or not he was in favour of the British preference. He evaded my question, and to-day I do not know whether or not he is in favour of the British preference, in spite of the fact that he spoke for almost three hours yesterday. Instead of answering my question he made a personal reference to myself, as follows:

> The hon. gentleman has never been noted for his high regard for British views, but I am somewhat surprised at his little regard for Canadians this afternoon.

I suppose I must treat that personal reference to myself with some respect, and I shall do so. I shall treat it with such respect as it

deserves having regard to the source from which it came and the spirit in which it was made. I pass it by with no further comment, save to say that in almost every political speech I have made during the course of the past year on economic questions I have advocated a substantial increase in the British preference in respect of all those articles which we now import from the United States and which we could import equally well from Great Britain. As to my regard for British views, I prefer the opinion of my constituents to that of the hon. leader of the opposition. I have expressed myself in favour of the British preference for two reasons; they are the same reasons which actuated the late Sir Wilfrid Laurier, the great chieftain of the Liberal party, in placing the British preference upon the statute books of this country. They are the same reasons which actuate the Liberal party to-day. In the first place, as a Canadian—and I place Canada above all other countries in the world in my affections without any reservations whatsoever—I believe that the British preference is in the best interests of the Canadian people. As a member of one of the British nations, which are united one with the other by the bonds of common institutions and common traditions, I would rather see British export trade prosper than see it fail. Export trade is the life of Great Britain; if it should fail, then Great Britain dies and we in Canada and the world at large would be the poorer for her death.

The present tariff revision will involve a consideration of some 495 separate tariff items. This budget has been referred to as a protectionist budget, but it must not be forgotten that there are 400 items in it which show a reduction in tariff. Let that fact be understood quite clearly. Of the items involved in the budget, 281 relate to the British preference; of that number, 11 items show a reduction in the British preference but 270 items show an increase. The hon. Minister of Finance stated that the British preference had been substantially increased, and I am prepared to accept his statement. He stated further that during the past year Canada imported over $200,000,000 worth of goods covered by the items in which there has been an increase in the British preference. Inquiries have led me to believe that that figure is much too low, although I admit that it is difficult to determine with any degree of exactness what portion of that amount would cover goods now coming from Great Britain, and what portion would cover those from other countries. I do not consider that question to be one of prime importance, because the essence of our British preference proposals lies in the fact that we invite the British manufacturer to enter the Canadian market. We open the door to him and say: Come in. It will depend upon the genius of the British manufacturer to what extent he profits from the opportunities which we now present to him. Why has he not in the past more greatly increased his sales in Canada? Sentiment is in his favour; there is no doubt of that. Has he been alive to his opportunities? There was no phrase in the budget speech more striking than the following statement of the hon. Minister of Finance:

> In modern commerce the buyer does not seek the seller. The seller, even with the advantage of the British preference, must seek the buyer in Canada through sales and service organizations comparable with those of his effective competitor.

That effective competitor is the competitor in the United States. If the British manufacturer will equal that competitor in the art of merchandising, he will profit from the opportunities which are now presented to him. We are predisposed to do business with the British manufacturer, but he must sell us the goods which we need, made up and marketed according to our requirements. If he sits in his office and simply waits for orders, or attempts to sell us goods which he thinks we ought to buy rather than those we wish to buy, then he will fail to accomplish that which we wish him to accomplish.

Several suggestions have been made in this regard, and I pass them on for what they are worth with a view to stressing the point which I am endeavouring to make. For example, why should not the British manufacture make his quotations to the Canadian trade in dollars and cents, instead of in pounds, shillings and pence? Why should he not have regard for our requirements in the matter of packages and boxes? On many commodities we pay a tariff upon the container as well as upon the contents. Why pack goods in a heavy iron-bound box when a cardboard container would suffice? Why should he not open his agencies in Canada and supply to us the manufacturer's services to which we are accustomed? These are only a few suggestions of the many that have been offered. If the British manufacturer will sell to us the goods which we want to buy, subject to the conditions to which we are accustomed we are predisposed to deal with him. We offer him the opportunity of displacing his United States competitor in the Canadian market. Other conditions being equal, we would rather buy British goods than those of the United States. The volume of the British

manufacturer's sales and the extent of his success will largely depend upon his own efforts.

We in western Canada are particularly interested in the British preference. There is a special market in western Canada for Great Britain. The Hudson Bay railway will soon be in operation, thanks to the aggressiveness of this administration. When Fort Churchill is opened western Canada will be next door to Great Britain, and Great Britain will have the double advantage of the British preference on the one hand, and of decreased transportation costs on goods destined to western Canada via Churchill, on the other. There is no reason why a whole new field should not be opened in western Canada to Great Britain. Saskatoon is the centre, geographically speaking, at any rate, of western Canada, and it is 1,100 miles nearer to Liverpool via Churchill than it is via Montreal. If Great Britain cannot enter western Canada by the front door at Churchill during the winter season, she can enter by the back door via the Panama canal and Vancouver. No matter at which door she enters, she will find a willing purchaser. I look to the time in the very near future when the volume of our imports over the Hudson Bay railway via Fort Churchill will be equal at any rate to the volume of our exports through that port. I hope that that will be one of the results of this increase in the British preference. If that should happen, and there is no reason why it should not, then western Canada will benefit particularly by this budget and the proposals contained therein. The western consumer will have the advantage of cheaper British goods. The Hudson Bay railway will be a success by reason of the volume of return freight traffic, and Great Britain will benefit by the increased volume of her trade. In addition to that, a friendlier feeling will be created between Great Britain and western Canada towards the exports of grain products which western Canada must make. There is one suggestion in this connection which I should like to make, one which involves cooperation between Canada and Great Britain. Every effort will be made by certain agencies to discourage shipping traffic via Fort Churchill in order to discredit the Hudson Bay railway project. One of the devices which undoubtedly will be employed will be the imposition of high maritime insurance rates on shipping coming to and going from Churchill. I suggest that the Canadian and British governments should cooperate in the matter of maritime insurance rates so that this new route to western Canada via Churchill and the Hudson Bay railway may be given a fair trial. These are some of the reasons why as a Canadian and as a representative of western Canada I support the budget. I wish the increase in the British preference had gone further, but I am prepared to accept what has been done; the value of the changes to Canada and Great Britain will be seen in the future.

This extension of the British preference is not tariff bargaining; we are not asking for any preference for our Canadian wheat in the British market, for we have no desire to tax the British workmen's bread. The British voter will be wise if he will resist any effort to cast such a tariff burden upon him. Our offer is not in the nature of tariff dickering; it is based partly upon sentiment and partly upon self interest. It would be hypocrisy on my part to say that our motives are entirely altruistic. Canada will benefit by the increase in the British preference and so will Great Britain in the better trade relations that will result. We in western Canada are alive to the problem of marketing our wheat. It is no longer possible for us to sit in Winnipeg and wait for orders to come to us. We must seek the buyer just as the British manufacturer must do. We also wish to have a buyer predisposed to do business with us and we hope these British preference tariff proposals will assist us in that respect. We realize that if we wish to sell our grain to Great Britain, we must be prepared to buy from Great Britain. We must pay for our imports by our exports, and we must receive payment for our exports by our imports. Our export trade is the measure of our external purchasing power. If we are to continue to receive those imports which are so necessary to our present standard of living, we must have markets for our surplus products.

Our growth in foreign trade has been enormous during the life of this Liberal administration and we realize that we are dependent upon that trade for our prosperity. The leader of the opposition stated last Thursday that he was in favour of any proposal that would make for the advancement of Canada as an independent economic entity. If by that he meant that Canada could be absolutely independent of all other nations and totally disregard their interests in matters of trade, I entirely disagree with him.

Mr. STEVENS: He never said anything of the kind.

Mr. THORSON: In this day of the interchange of commodities on a world basis, the world is becoming an economic whole. No nation can be independent of other nations;

all nations are interdependent, one upon another. We realize that if we are to sell our surplus agricultural and other products, we must depend upon foreign buyers and we must be willing to buy from them. Our security as a world trading country is dependent not upon armaments but upon international good will. We desire to promote good will between Canada and Great Britain and that is the object of our proposals to increase the British preference. If I were to describe this budget in one sentence, I would say: This budget is one of good will towards those countries that are willing to trade with us. I hope the budget will promote such good will between Canada on the one hand and Great Britain on the other. It is in that hope that I support the budget, and in speaking as I do I think I voice the opinion of the great majority of the Canadian people.

Mr. THOMAS CANTLEY (Pictou): Mr. Speaker, the tariff resolutions as brought down in the house on Thursday last will doubtless during coming years be regarded as evidence of the high administrative statesmanship of the new Minister of Finance (Mr. Dunning), for in these resolutions are embalmed the first indication, so far as I know, of the great national policy of protection being extended to the very important item of hash. If hon. members will turn to page 1637 of Hansard of May 1st last, they will there see under item 90, section (d) "hash and all similar products, composed wholly of vegetables or of vegetables and meat or fish or both, not otherwise provided for", are dutiable at 15 per cent, 32½ per cent and 35 per cent. This great national industry of the west is to now be protected by the highest rate of duties the minister has provided in any item of the tariff proposals submitted to the house the other day.

Referring now to the proposals of the Minister of Finance, and I am sorry he is not in his place, because so far as the iron and steel industry is concerned I desire to thank the minister, if he really intends to put the resolutions relating to Canadian coal used in the production of iron and steel into effect, for at last implementing the recommendations of the Duncan commission in regard to Canadian coal. We are glad to have this, although it is at least three or four years in default. Iron and steel manufacturers in Nova Scotia have been labouring under most unfair disadvantages as compared with other manufacturers of these products in the other provinces of Canada. The latter were able, due to the rebate of duty on United States coal and exceptionally low freight rates, to assemble foreign fuel at their furnaces at less cost than that at which we in Nova Scotia were able to produce fuel at the pit mouth.

I also wish to thank the minister—and I can do this very freely and honestly—for putting on the free list hospital and operating room supplies. His thoughtfulness in that regard will be appreciated in every Canadian community where hospital accommodation, treatment and care are given, and in most cases supplied largely through private beneficence and given free in practically all our institutions to those who need medical and surgical treatment. For that I desire to thank him and I think the house as a whole, irrespective of party or policy, will thank him for his consideration in that regard.

The Minister of Finance, in that portion of his budget speech which refers more particularly to the iron and steel schedules, stated that this industry concerned the employment of more than 120,000 people in more than 1,100 plants, with an aggregate pay-roll of more than $170,000,000. I do not know just what the minister had in his mind when referring to that matter. If he referred to the basic forms of iron and steel, his statement as to the number of persons employed and the wages paid was very greatly exaggerated. The fundamental things in this country to protect so far as the tariff on iron and steel are concerned are the primary forms of iron and steel, pig iron and steel blooms, billets and slabs and no such number of primary iron and steel making enterprises exists in Canada, and no such number of men is employed. If he departs from the question of the primary forms of iron and steel, I hold that there is no particular point where he can draw the line and say: This is a manufacturer of iron and steel, and the other is not; because we get into such a wide range of manufacturing enterprises employing a varied proportion of iron and steel and a proportion of other materials. Manifestly these cannot properly be considered as manufacturers of iron and steel. The only place where you can draw the line safely is at the primary products pig iron and steel, with their subsequent treatment in the forges and rolling mills attached to these blast furnaces and open hearth furnaces. If you so restrict it, it will be found that we employed in Canada in the year 1928, which I find are the latest figures supplied by the government, 4,605 hands, with a reported pay roll of $8,644,000 in round figures. That represents the value of that industry purely from an employment point of view, and it also restricts the location of these plants to three points in Canada, one or two in Nova Scotia and two in Ontario, the Ontario plants, of course, being at Hamilton and the Soo.

I would again point out to the house, and to the Minister of Finance, that the important feature in connection with the iron and steel trade, and it is a matter of national importance, is the production of pig iron and open hearth or Bessemer steel. This latter takes the form of ingots, blooms, billets, heavy forgings, slabs and plate. This basic industry is of supreme national importance and should above all others be fostered and protected; for with the primary forms safeguarded from unfair forms of competition, the establishment and permanency of the secondary trades will certainly follow. I submit that that is an element which has been largely overlooked in the tariff that was presented to the house last week by the Minister of Finance. He stated:

> The government had first in mind the national necessity of maintaining a sufficient and self-reliant iron and steel industry and that these considerations had been kept in mind throughout the schedule but particularly in those sections which cover crude, primary and secondary forms up to and including the production of the rolling mills and that within this range lies the product of Canada's great, basic, ferrous industry, as well as many others in the production of which Great Britain excels.

With that statement as to national necessity I agree. But the tariff proposals brought down by the minister do not comply with those conditions. As to that I do not think there can be any doubt on the part of anyone who has carefully looked over the budget provisions and is familiar with the trade.

I would remind the minister and the house that the most extreme protection that was ever adopted in any country in the world was adopted by Great Britain in the manufacture of iron. That country not only imposed high duties on all iron coming from abroad, but when it discovered that coal could replace the charcoal fuel formerly used, and when the steam-blowing engine had been invented, Great Britain through these two basic facts rose to a position of absolute supremacy over the whole world in the production of iron and to maintain that supremacy Great Britain took extreme steps. She actually prohibited all skilled iron workers from leaving the kingdom, and also prohibited the export of rolling mills, blowing engines and machinery of any kind whatsoever that could be used for the production of iron abroad. Due to these very extreme measures, Great Britain was able for many years practically to control entirely the whole iron production of Europe. The practical statesmen of that day recognized that the iron industry lay at the foundation of their national supremacy, and that supremacy they maintained in the way to which I have just referred for a very considerable number of years. Later the United States recognized much the same thing, and to-day, as everybody knows, the United States is far and away the greatest producer of iron and steel in the world. Their protective tariff, the most scientific as it relates to the different branches of the steel trade, furnishes them with ample protection. They recognize the first principle to be observed in protecting the labour of the country, and under their policy they have built up an industry which has astonished the civilized world, and which floods this country of Canada with steel products to the value of practically $1,000,000 per day.

You ask why I ridicule and deride this tariff. Why not, it may be said, accept and respond to the supposed generous offer of protection? I answer, because I have no faith in the efficiency of the tariff or in the intentions of the government in regard to these provisions. Experience teaches even the most ignorant. Sudden conversions do not appeal to men of my birth or my faith. I prefer to accept protection for the iron and steel trade from the people and the statesmen who believe in protection, from the party and the people who initiated protection in Canada, rather than from recent converts whose good intentions I may perhaps be permitted to doubt, and who for a long period of years expressed themselves as opposed to what they formerly deemed the economic heresies contained in the tariff brought down in this house a few days ago.

I repeat that I am sorry the Minister of Finance is not in his place. His fame preceded him when he came to this house a few years ago. I listened as did many of my fellow members of the house to the epic narrative which he gave us on a June day, on June 7, two years ago. It was given with a charm of narrative which in no way detracted from its commanding appeal, he then rightly won the esteem and admiration and respect of all who heard him. The minister's energy and zeal, has often appealed to me while his exhibition at times of ill-concealed contempt for some of his slower-moving colleagues, has amused me. Could I believe that he had now really changed his views in regard to protection, that he really had abandoned his well known former fiscal free trade views, I should look upon his present tariff and his administration of it differently. I may say that if he has experienced a real change in his attitude towards protection, then he should change his political associates; and, personally, I should be glad to see him do so. I fear, however, that there is no real change of heart, and that this precious tariff which he has given to us,

so far as iron and steel and other related items are concerned, is but an election bait. In any case, it is either a sacrifice of past convictions on the part of the minister and his associates, or a desperate expedient to save a discredited ministry and a government which has lost the confidence of the people of this country. Men of my province, my nationality and my faith usually remain true to their convictions, and also to their friends.

I have had some five and forty years experience in the iron and steel industry and have seen the development of that industry practically in its entirety, first in Nova Scotia and later in Ontario. The first real modern production of iron and steel—steel particularly—in this Dominion occurred under the regime of Sir Charles Tupper who was at the time Minister of Finance. It was afterwards fostered and greatly extended under the patronage of another distinguished Nova Scotian, the late W. S. Fielding. Unfortunately this tariff will not do for the iron and steel industry, either of Nova Scotia or the rest of Canada, what the Tupper or the Fielding tariff did.

For a few minutes I want to refer to skelp. We are told that this cannot be made in Canada. This is the same old story that was told us on September 6, 1914, when the British War Office said that shell steel could not be made from basic material, that it must be acid steel. The Germans had used basic steel for a score of years, and we in Nova Scotia demonstrated in a very short time that basic steel made in Canada was equally as suitable for the production of shells as any acid steel made in the old country or elsewhere. If that fact had not been demonstrated, and such steel had not been used, Canada could not have taken the high place in the great war that she did, and at the close of the war she would not have been put in the financial position in which she found herself.

I did attend two sessions of the tariff board, Mr. Speaker, and, frankly, was disgusted with the exhibition of lack of knowledge, intolerance, misrepresentation and misstatements, in regard to both primary and secondary steel manufacturing. There I saw what I considered the vital interests of the country committed to the advocacy of corporation lawyers, who knew no more about the production of steel and the working of it than does the man on the street of the movements of the planetary system. Those are the type of men who are supposed to represent the iron and steel industry in Canada before the tariff board. Look through that tariff. It might make angels weep to see some of the phraseology used in regard to the various iron and steel items. The highly protected makers of pipe there asserted that the only suitable material for making ordinary welded pipe was Bessemer steel. The pundits of the war office in 1914 said that acid steel was only suitable for shells. Their statement was quite as authoritative and quite as correct as that of the steel pipe makers of to-day. There is no inherent difference between steel made under the Bessemer or open hearth processes apart from the chemical constituents. Mild steel made by either process, given low sulphur, will readily weld. Wrought iron or steel pipe skelp must be made of such a quality of steel as will readily weld, because most of the pipe commercially used in plumbing and for similar purposes is butt welded. The other requisite of skelp is that it must be of such a character that it will screw readily; that is, when you come to screw it with taps and dies the thread will not tear, but will be sharp and clean. That is provided for by putting in a certain percentage of phosphorus, say about ·08 per cent. Given proper analysis as to sulphur and phosphorus there is no difficulty in supplying from Canadian mills basic steel which will make first class skelp and first class pipe, if it is properly treated by the pipe makers. Given control of suitable steel basic furnaces and mills in Nova Scotia, I would undertake in ten days to provide steel skelp which will meet all the conditions requisite for making first class pipe. The real facts were not submitted to the tariff board. People representing one of the most highly protected interests in the whole of Canada were allowed to make their misleading statements practically uncontradicted. Does not the house admit that an important industry of this kind should have been a matter of concern to the government? I submit the government or its creation, the tariff board, should have seen to it that evidence bearing on the true facts of the case was presented to the board before they reached their decision in regard to skelp.

If we are to listen to those gentry and others of their type, no great progress is possible or will be made in Canada so far as iron and steel production is concerned, and this country will remain as it is to-day, largely a vassal of the United States, while Germany and every other progressive nation command and depend on their own resources so far as the vital matter of a national supply of iron and steel is concerned. Much the same situation as that which confronted the chairman of the tariff commission was faced by Sir Charles Tupper in 1887. Sir Charles Tupper in that year provided for a duty on wrought and cast scrap. This affected, or was thought

to affect, the manufacture of bar iron in Montreal by three or four different concerns that were producing bar iron from scrap. Those firms were Peck, Benny and Company, who had rolling mills on the St. Lawrence canal, Pillow Hersey, and the Montreal Rolling Mills. Delegations from these three companies came up to Ottawa and met the minister in his room in the east block. The primary iron and steel makers of that day were represented by the late A. T. Patterson of Londonderry and myself. The spokesman for the Montreal mills at that meeting was my friend the late William MacMaster, whose passing I noted with deep regret in yesterday's press. May I here say that in my judgment, William MacMaster was the brightest, probably the most forceful and certainly one of the most successful of all the men I have known who have been interested in the iron and steel industry of Canada. That delegation was introduced by the late Sir Donald A. Smith, later Lord Strathcona, who at that time represented one of the constituencies of the island of Montreal. They made their statement and Sir Charles Tupper replied that the tariff would stand as brought down. He added that if they were affected adversely and if after mutual agreement they would give him a statement showing in what way they were affected and what they proposed he should do to remedy the situation the matter would have his immediate consideration. They came back at a later hour and made their proposals; those proposals were converted into law and the whole matter was in that way adjusted without a day's delay. That is an example of a statesman dealing with an important question in a definite, decisive, prompt and satisfactory way.

May I suggest to the minister that due to the mistaken tariff policy of Canada during the past seven years we have become to a yearly increasing degree vassals of the United States steel makers. This is decisively shown by the growing importations from that country in the important matter of steel structural shapes? Our structural engineers, both those connected with our railway enterprises and more particularly those responsible for our modern city building structures, which absorb a large and increasing tonnage of steel worked up into structures of many kinds, have for about ten years and particularly during the last few years made their calculations entirely with a view to using American structural shapes. Why is that the case? Primarily because as to the steel tariff we have not dealt fairly as between Great Britain, the United States and ourselves in the matter of structural shapes. The American shapes generally are lighter than the British or continental shapes. The sections are thinner and they differ in their principal dimensions as to depth of web and width of flange. Apart from that the American mills guarantee the maximum weights of any particular section, whether it be a six inch I-beam or any of the larger sections of that character. When the contractor adopts a twelve inch American rolled steel section he knows that he will have to pay for a certain amount of material. On the other hand, the English maker stipulates for a tolerance of 2½ per cent either way; in some cases it is even 5 per cent. That means that the contractor buying the material cannot tell within 5 per cent how much material he may have to pay for. The result of these combined facts and our inadequate tariff regulations has been to give the United States steel mills practical control of the structural steel requirements of this country.

How are we to meet that situation? A gesture towards meeting it is contained in the tariff brought down, but I submit that it does not go far enough and for that reason will not produce the results which we should expect to find from a general revision of the tariff such as this is asserted to be. I want to say that Canada cannot be put in a position of independence so far as iron and steel are concerned if the minister's proposals as to preferential tariff on steel products in Great Britain are adopted, as shown by the new tariff items 375, 377, 377b, 377c, 378b, 378c, 378d, 379, 380, 384, 385, 386, and many others. Such proposals, if put in effect, will prove fatal to the supremacy of the Canadian steel industry. Consider for a moment the fact that these heavy forms of steel blooms, billets, slabs can be freighted from British furnaces and mills to Montreal for one third of the cost of rail transport from Nova Scotia to the same point. This transportation advantage, coupled with the preferential duty, will enable the British steel masters to supplant and displace a large portion of our Nova Scotia furnace products a market for which it is suggested this new tariff will give us.

Mr. WOODSWORTH: Why has there to be rail transportation from Nova Scotia to Montreal?

Mr. CANTLEY: For six months of the year no other form of transportation is possible. The next point is that most of the material does not come to Montreal for consumption there; Montreal is the gateway to Ontario and the interior of western Canada. I took Montreal because it is a common

gateway used by the Nova Scotia, British or continental steel makers. I want to point out that up to or at that gateway point—Montreal —the foreigner can freight his steel for less than one third of the cost of bringing it from Nova Scotia for transport further inland or for sale in that city.

Equally unsatisfactory will be the position in which a very large portion of the products of our mills will be affected by the preference granted in this tariff to a wide range and important tonnage of small section steel rods and bars intended for the production of chain, wire and other steel irondary products, the makers of which are given very considerable preference as regards their raw material while enjoying most ample protection so far as their finished product is concerned. Let us take chains and wire and ask ourselves if there is any reason why these manufacturers should obtain free raw material and at the same time in many cases be given the widest range of protection under this tariff or under the old tariff. Let us take for an example the production of horseshoe nails. Thirty years ago we in Nova Scotia rolled rods for the production of horseshoe nails; then they put them on the free list in the interest of the nail makers and they have remained on that free list for a generation. If you will look at the tariff you will see the rate of protection which they have. The same objection applies in the matter of steel pipe. Steel pipe makers have been allowed to bring in skelp at 5 per cent, and they have been getting the advantage of the highest ranges of duty paid under any tariff which we have had in effect in Canada during the last thirty years. Not only that, but there is a lesser amount of labour and machinery involved in the production of the common grades of steel pipe than in almost any other class of secondary iron and steel products. Over a long term of years some of these secondary businesses have had an unfair advantage; and general dissatisfaction has existed for years. This government has known it, for the whole matter was discussed before the tariff board in the way I have described. Yet the difficulty and the outrage continue to be perpetuated in the tariff which was presented the other day.

Summing up the duties as affecting the iron and steel schedules the minister stated that tariff rates had been reduced on sixty-six items and increased on forty, that under the intermediate tariff the reductions number eighty-six, and the increases twenty-four while under the British preferential tariff the rates had been increased in eight cases and reduced or made free in one hundred and fifty-two. Here, Mr. Speaker, is where great harm has been done, and I venture to suggest that the proposals of the minister as set out in his tariff schedule will prove vastly disappointing to the producers of primary forms of steel in Canada, and more especially so in the case of the products of the furnaces, mills and forges of Nova Scotia, which products I claim have in the past been and by this tariff will continue to be most unfairly discriminated against, and this notwithstanding the important fact that they alone are the primary producers of iron and steel in this Dominion who can be depended upon to supply the all-important national needs in times of stress such as this country passed through during the great war. Supposing we had trouble with our neighbours and our ships were driven off the sea. In such a time could we rely on iron and steel produced in the province of Ontario, which for the past thirty years has been absolutely dependent on American ores and American coal? That is the situation this country may some day face, and the day may come when it will be a serious situation. My point is that the eastern provinces of Canada alone are in a position to-day to meet national needs such as those to which I have referred.

Now, sir, in view of these considerations I regret that the minister has not adopted a more truly Canadian outlook, and one more calculated to establish dependable conditions which would not only bring about national security but would also provide the maximum of employment for Canadian miners, iron and steel operators and transport workers, who are among the largest consumers of the agricultural products of Canada and who are also the best customers for the manufactured goods produced within the Dominion.

Mr. Speaker, did time permit and the patience of the house suffice, I would dissect this tariff and show the many unsatisfactory features of it; I would direct the attention of the minister, were he in his seat, to many items with respect to which I think he would have to admit that the officers who prepared this tariff either did not have the requisite knowledge and technical experience for the work intrusted to them or were recreant to their duties as advisers to him. I might point out items which will work to the detriment of Canadian trade and under which great disadvantage certainly will accrue to the workmen of this country who are dependent for their daily bread upon the iron and steel industry of Canada. I regret, sir, to have to say that this tariff, to the extent to which it deals with and affects the iron and steel industry of Canada is far from satisfactory to the most important interests involved.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I think I may congratulate the Minister of Finance (Mr. Dunning) on the clarity of his statement in presenting his budget. There was one expression which I was glad to note; I refer to the phrase with respect to visible exports and visible trade balance. It may be that the minister was driven to this by the change that has taken place in our trade balances in recent times, but whatever the cause I think it highly advisable that we should clearly recognize that all our exports and imports are not what economists term visible. In the past we have erred very greatly in suggesting that we must always pay directly for our imports by our exports and that an excess of exports is in some mysterious way an indication of greater prosperity. Very often we are paying debts and drawing credits, and now at this time of great tourist traffic we ought to realize that there are other ways of balancing our budget than by exports; therefore I welcome that form of statement.

I think everyone must realize that the budget was very carefully balanced; in fact the trouble is that it professes to protect the manufacturer of the east at the same time it protects the farmer of the west, and it professes to protect the consumer as well as the producer. It was designed to please everyone, and in the end it may result in pleasing no one. What amused me in the earlier part of the debate more than anything else was the stealing of the flag from the Conservatives by the Liberals. It was very odd indeed to have the leader of the opposition protesting that patriotism is the last resort of a coward. I think it used to be termed the last resort of a scoundrel, but the other word will do. It will be very interesting indeed to see the Liberals going up and down this country during the coming election, waving the flag, and meeting with processions of Conservatives who do not know how to march without the old flag and the old slogans.

The Minister of Finance said he preferred to deal with those who had a common heritage, kindred institutions and a common patriotism. That already has been translated as meaning those of our own kith and kin. I do not think I have any very strong colour prejudice, but I would just as soon buy fresh vegetables grown by white labour in California or Oregon as vegetables grown by the negros in the West Indies. I do not know whether the latter may be said to be our own kith and kin; I do not know that they are altogether under kindred institutions even though they may belong to the British Empire. It seems to me that in regard to matters such as this, there is great need of puncturing the sentimentalities in which we have indulged. As a matter of fact to-day there are as many people in the United States of British origin as there are Canadians living in Canada.

Mr. GEARY: They are mostly Canadians.

Mr. WOODSWORTH: There are a very great many Canadians, it is true, but in these matters there is no use getting ourselves into a great furor because after all the United States is composed very largely of our own kith and kin, and their institutions are not so very dissimilar from our own. On the other hand we have a very large number of American companies over here which will benefit by the so-called protection far more than will the ordinary Canadian workmen.

When I heard the speech of the Minister of Finance I could not but be reminded of an editorial which appeared in the Financial Post of December 19, 1929, just after Mr. Dunning became Minister of Finance. It stated:

> Easterners may well regard the Dunning appointment without fear and trembling.

And again:

> In fact, we would not be surprised if he were to lean far away from some of his former views in order to avoid any suspicion of still being a free trader and a westerner first and foremost.

Once again, as usual, the big interests have won. I should like to read a paragraph from a very interesting article written by Mr. Grattan O'Leary of the Press Gallery, entitled "Holt versus Jones," and published in MacLean's Magazine of March, 1929. I think it well that we members of parliament sometimes should face the actualities of the situation.

> Canadians, concentrating attention upon politicians and parliaments, are oblivious to the meaning of such a conflict. They debate and appraise the virtues and defects of their political chieftains; follow their careers with interest; think of them as the arbiters of their destiny. It is all a divorcement from reality. For it is frequently behind the scenes, in the lobbies of Ottawa hotels, behind the green-baize doors of departmental offices, in the counting rooms of industrial palaces in Toronto and Montreal, that our economic destinies are influenced. Who can hold that industrial emperors like Holt and Jones, demigods of our financial ledgers, field-marshals of industry and finance, are not more potent in shaping our everyday economic lives than all our politicians put together?

It strikes me that Mr. O'Leary was endowed with almost prophetic vision in view of the duties on steel which appear in this budget.

At times the Prime Minister (Mr. Mackenzie King) has made a good deal of following the traditional Liberal practices. I

should like to read a paragraph or two from a letter written to the Prime Minister by a Liberal in British Columbia, of which I received a copy only a few days ago. It struck me at the time that there was a good deal of real common sense contained in the presentation. It reads:

There has been a common belief among Liberals that the most progressive and prosperous periods in Canada's history had been the direct result of federal policies inaugurated by the Laurier government and later continued during your own able leadership. Now, the soundness of such belief is questioned and many Liberals are seriously pondering whether Laurier Liberalism has been inadequate to meet the rapidly changing conditions, or whether, after all, fortunate circumstances and the swing of the economic pendulum alone, may not account for those years of wonderful development and expansion which have been experienced under Liberal rule.

Be that as it may, when speeches from the throne and yearly bank reports show a marked increase in the year's trade and commerce and, at the same time, there can exist an almost unprecedented condition of unemployment throughout the whole Dominion, surely there must be a very grave defect in our economic or political system somewhere.

And again:

Superpower and mass production have rapidly brought about new conditions which should be faced. Markets cannot be created or found to continuously absorb the ever accelerating output of our various industries. Because of this, serious periodical industrial depressions must inevitably occur with their attendant suffering and distress. If the wit of man cannot devise anything more equitable than the barbarous cut-throat system under which we live and if future trouble would be averted, then, in the name of justice and common sense, let something be done and done at once.

The writer after advocating a certain type of nation-wide insurance, concludes as follows:

No citizen would object except, perhaps, the man who had amassed wealth and had been brutalized to the limit of selfishness in the process, or he of inherited riches who assumes the rights and privileges of one who might belong to a special and superior creation.

Mr. IRVINE: Whom is the hon. gentleman quoting?

Mr. WOODSWORTH: I am quoting from a private letter which presents a point of view which I thought would be of interest to the Prime Minister, if he has not himself already read the letter.

The Prime Minister may say that he is drawing away from Laurier Liberalism. I am inclined to think that he is, and with a vengeance. But where is he going? A few weeks ago the Prime Minister warned us in this corner to beware of too close an association with the Tories. I should say that the Prime Minister and his followers are much nearer to the Tories than are we in this corner; in fact, that is the trouble with some of us in this corner; we cannot very well distinguish, from a consideration of the fiscal policies of the two old parties, just where the difference lies. I am inclined to think that during the coming elections a good many of the electors will be in that same position—they will not be able to discover from this budget any fundamental difference.

I do not profess to be in a position to follow the hon. member for Pictou (Mr. Cantley) in discussing in detail the steel duties, or the schedules contained in the budget. However, in addition to the protectionist policy there are two matters which stand out quite clearly in this budget. One is the British preference, and the other is the retaliatory policy—I think we may call it such—towards the United States. Last year we in this corner supported a motion to increase the British preference, but hon. members of the house will recall that we added the proviso that this should be but a step in the direction of freer world trade. I myself would not like to think of any other kind of British preference. I do not want any kind of British preference if it is to be that advocated by Lord Beaverbrook and his followers in the old country. I should like to call the attention of the house to the real position of Lord Beaverbrook on the British preference. In the pamphlet on Empire Free Trade, issued some time ago, I find the following on page 16:

1. The empire is to be regarded as a single economic group, and trade between the various parts, subject to the qualifications made above, is to suffer no restrictions.

2. The interests of this group are to be conserved by a tariff wall against the rest of the world.

Mr. THORSON: We are against that.

Mr. WOODSWORTH: I am glad to hear my hon. friend say that he is against that. However, notwithstanding his protestation, I cannot see that the budget as brought down fosters international trade.

Mr. GEARY: Lord Beaverbrook believes that this budget agrees with his opinion.

Mr. WOODSWORTH: That is what I want to point out. Lord Beaverbrook welcomes the budget as being one step towards a realization of this ideal. My hon. friends on the other side of the house are opposed to Lord Beaverbrook, and my hon. friends to my right, the Conservatives, are also opposed to his position. I cannot understand their wel-

coming trade between this country and Great Britain without restrictions being applied. They object even to the measure of British preference which is proposed.

Mr. HOCKEN: Because it is illusory.

Mr. WOODSWORTH: Particular items as proposed might be illusory, but if we were to allow steel to come in free from Great Britain there would be a regular howl from the Conservative benches. The Canadian manufacturers are quite willing to trade with Great Britain in goods which cannot be manufactured in Canada; that is the extent to which they will go.

Mr. CHAPLIN: I object to seeing a man put out of a job here because of the importation of any goods.

Mr. WOODSWORTH: Then, let us say that frankly.

Mr. CHAPLIN: I always say it.

Mr. SPENCE: We have all said it.

Mr. WOODSWORTH: I would like to quote another paragraph or two from this pamphlet which illustrates the vicious economics on which the whole program is based. They are as follows:

> We have too a standard of living and of wages far higher than those current in the European countries which now compete with empire products in our markets, and which, without buying the goods we have to sell, export large and increasing quantities of goods to us with damaging effect on our own industries and agriculture.

The old fallacy is offered again. We want to receive goods without sending goods out of the country; we want to send goods out, without receiving any into the country. Another false assumption appears on page 4 of the pamphlet, as follows:

> Let us have throughout our world-wide empire free trade, free commerce and a higher standard of living than our less fortunate neighbours can possibly enjoy, and let us protect these great benefits by means of tariffs against sweated imports from abroad.

I would point out that there are many countries within the British Empire wherein there are sweated industries. There would not be the trouble in India if there were not something of that kind. There would not be the trouble in some parts of Africa, if those conditions did not prevail. A false assumption runs throughout this entire presentation. What is really involved is the free entry into Canada of British goods. This our manufacturers will not permit. We are not content to allow even Australian and New Zealand goods to come in.

This policy would mean further, I fancy the setting up of a cartel system. How would that work on this continent when we have so many branch factories of United States industry established in Canada? There are only two statements in that pamphlet that I think are really worthy of careful consideration.

Mr. CHAPLIN: What pamphlet?

Mr. WOODSWORTH: Empire Free Trade by Lord Beaverbrook. The first statement is this:

> The United States of America, an empire consisting of fifty-two different units, is the most powerful and prosperous of the nations of the globe to-day, and its prosperity is due to the complete and unfettered freedom of trade which its citizens enjoy within their own frontiers and the ample protection which they receive against foreign interference.

To me that is a splendid tribute to the idea of free trade within any area and I would like to extend that idea of free trade into the international sphere. I believe that is the only way in which we can hope to avoid those serious conflicts which inevitably break out during times of stress. The other statement is as follows:

> In the last twenty years the development of industry, the improvement of transport, the growth of populations have changed all the old landmarks, and the roads our fathers used will no longer lead us to our destination.

That is the point I should like to emphasize and that is the point which was urged by the hon. member for Wetaskiwin (Mr. Irvine) last night. Modern developments have changed all the old landmarks and the roads our fathers used will no longer lead us to our destination. The old conceptions of free trade and protection are to-day obsolete in view of the new world community which is developing round about us. Hence I think we are taking a backward step when we initiate an anti-American tariff war.

Mr. CHAPLIN: What about their attitude toward us?

Mr. WOODSWORTH: They have taken a backward step, it is true, but that is no particular reason why we should do so, and from the practical standpoint there is no reason why, to use the old saying, we should cut off our nose to spite our face. Our action will I think react unfavourably upon ourselves.

I should like to take a few minutes to call to the attention of the house a book which I enjoyed reading very much during the last few months. It is entitled Political Myths and Economic Realities by Francis Delaisi, a French writer. In this book he directs atten-

tion to the fact that to-day the world is rapidly becoming an economic unit. The other day the leader of the opposition (Mr. Bennett) spoke as if our nation should be an economic unit. He would not make it independent politically, but he would make it independent economically. The fact is that to-day no nation can be independent economically. I quote from the book:

> Economic interdependence is now a reality, not only for the nations as a whole but for the smallest of private enterprises.

The writer goes on to show that although economic changes have come, our ideas have not changed in accordance with these economic changes. I quote:

> Everything has changed in the world of reality, nothing in the world of ideas; and in each individual two men have come to exist: the homo economicus who acts internationally and the homo politicus who thinks nationally.

The leader of the opposition, for example, before he entered upon his parliamentary duties, acted as a director on a number of international corporations such as the International Pulp and Paper Company, Metropolitan Life Insurance Company and the Canadian Pacific Railway Company, but when he comes into the house he thinks in terms of a national protective policy. The writer shows even in France, which is largely a self-contained country, how impossible it is under economic conditions for any citizen to live an absolutely independent economic and political life. I quote:

> How does the ordinary respectable citizen of Paris spend his day in 1926?
>
> M. Durand begins his day by washing himself with soap, manufactured out of Congo peanuts, and dries himself with a cotton towel from Louisiana. He then proceeds to dress himself. His shirt and collar are made of Russian linen, his coat and trousers of wool from the Cape or Australia. He puts on a silk tie made from Japanese cocoons and shoes whose leather is derived from the hide of an Argentine ox and tanned with a chemical product from Germany.
>
> In his dining-room—adorned with a Dutch sideboard, made of wood from Hungarian forests—he will find the table laid with plated metal made of Rio-Tinto copper, tin from the Straits and silver from Australia. He will find a fresh loaf, made of wheat which, according to the season of the year, may come from Beauce, from Roumania or from Canada. He will eat eggs, newly arrived from Morocco, a slice of frozen "Presale" from the Argentine, and preserved small peas which have seen the Californian sun; his sweet will be English jam made of French fruit and Cuba sugar, and his excellent coffee will come from Brazil.
>
> Restored to vigour, he now goes to his work. An electric tram, run on the Thomson-Houston system, takes him to his office. After making a note of the quotations of the Liverpool, London, Amsterdam or Yokohama exchanges, he dictates his correspondence which is taken down on an English typewriter and he signs with an American fountain pen. In his workshop, "Paris articles" for a Brazilian clientele are being manufactured out of material of many origins, by machinery built in Lorraine, according to German patents and fed with English coal. His instructions are to send them to Rio by the first German steamer that puts in at Cherbourg.
>
> He then proceeds to his bank to pay in a cheque in guilders from a Dutch client and to buy sterling to pay for English goods. The bank manager will take the opportunity to point out that his account shows a considerable balance and that oil shares are rising. M. Durand takes the hint but unwilling to place all his eggs in one basket, he gives orders to buy at the same time four Royal Dutch shares and ten of a French company affiliated to the Standard Oil.
>
> Satisfied with a profitable day, he proposes to spend the evening at a show with his wife. She will don her best frock from Paquin Limited, her pretty fur of blue fox (Siberia), her diamonds from the Cape. Then they will dine in an Italian restaurant and debate whether to go to the Russian ballet, or to a music hall to hear Raquel Meller and, in the end, they may decide for one of d'Annunzio's plays acted by Ida Rubinstein with designs from Bakst.
>
> After having supped at a Caucasian cabaret, to the accompaniment of a negro jazz band, they return home. After a day so well spent, M. Durand falls asleep under his quilt (made of feathers of Norwegian duck) and dreams that France is decidedly a great country, entirely self-supporting and able to snap her fingers at the whole world.

I am afraid that, the suitable changes being made, that is the way in which many of our Canadians think of Canada. That is their ideal. I quote:

> As a holder of capital, everybody invests his money wherever it is likely to bring in the best return, even though it be in an enemy country. But as a citizen, he will think of his own country first, demand protective measures or reprisals against rival nations and thus annul the profits of his own investment. Homo politicus thinks as a nationalist; homo economicus acts as an internationalist. And as both reside in each of us, we contrive to destroy overnight what we have accomplished the day before.

Further:

> In every country the basic structure has been completely transformed within a century, whereas its political superstructure has remained practically immutable, a disequilibrium which could but end in a cataclysm.

In conclusion Mr. Delaisi utters this solemn warning:

> The cause of so much confusion lies within yourselves. Unwilling to recognize that interdependence which binds you to each other, you are wounding yourselves when you thought you were striking at your neighbours.

That is the idea I had in mind a few moments ago when I referred to our policy of trade reprisals. I continue quoting:

> Thus it will ever be so long as you do not fully realize your economic solidarity. If reason and self-interest be not enough, the mere interplay of irresistible forces will compel you to see the light.

In the short time that remains I should like to make a few comments on the financial statement which has been presented by the Minister of Finance. We have an estimated expenditure of $402,815,000 and an estimated population of 9,658,000. That is, the per capita cost of running this country is $41.07. I think every citizen ought to bear in mind the enormous cost of carrying on the business of Canada. For a family of five it amounts to $200. How is that money expended? Let me give a few items.

Labour, which ought to be important, receives .21 per cent. Old age pensions about which so much has been said, receives .39 per cent. External affairs, which surely ought to be of very great interest in this new world of which I have been speaking, receives .18 per cent. Scientific institutions, which in this modern world ought to be given much help, receive only .28 per cent. That is a total of 1.06 per cent. Taking these four great items, labour, old age pensions, external affairs, and scientific institutions, four of the most important departments of our national life, on them we expend only about 1 per cent. The principal expenditures attributable to the great war, according to the minister's own statement, amount to 39.42 per cent Careful estimates showing the increased cost of collection and financing of our debts would seem to show that this amount should really be put at at least 50 per cent. Our national defence estimate for this year is 5.06 per cent. That would mean that something like 55 per cent of our entire revenue is being spent on the past war or in preparation for some war that may come in the future.

Here is another item worthy of note in this connection. Almost 30 per cent of the consolidated revenue of Canada goes to the civil service. We spend weeks sometimes in the discussion of estimates. If you put aside the enormous amount which we say must be paid as interest on the war debt, and put aside what is spent in statutory form for the civil service, we have left at the outside only 10 or 15 per cent of a margin to work on. Actually we in Parliament control only something like 10 or 15 per cent of the entire expenditures of the country.

[Mr. Woodsworth.]

How are these taxes raised? I would point out that the excise tax amounts to 14.08 per cent, and the customs duties to 40.14 per cent, so that the greater part of the taxes are raised by indirect taxation, which we all recognize is a burden on the common people, and the larger the family responsibility the heavier the tax. By income tax we raise only 15.46 per cent of our revenue. Those who have the greatest amount of wealth are those who come off the lightest. If we have paid anything off our public debt, and I suppose that is a moot point, it has come out of indirect taxation of the people and not from the wealth of the nation. Our policy is in great contrast to that in both Great Britain and the United States. In 1928-29 the income tax and supertax in Great Britain, together with the estates duties, bring in altogether £374,340,000, which takes care of their debt service. In 1927-28, in the United States the income tax and profits tax brought in $2,174,000,000, which takes care of their interest and retirement funds. We in this country have not attempted to do anything of that kind. We have continued to draw our taxes largely from the ordinary people. I wrote only the other day to the Department of National Revenue for some information as to the income that was received by each income group in Canada. The department did not seem to be able even to comprehend what I was after, and wrote back a letter to this effect:

> Please be advised that it is not deemed to be in the best interests of the taxpayers in general to disclose the information asked for.

Here is another paragraph:

> It is pointed out that on the statement given to the public there is a footnote in respect of $50,000 or more which reads—"Classes are grouped to conceal the net income and identity of the taxpayer."

That is the attitude of the department. Not only do they want the amount of the large incomes concealed, but they want the individuals concealed, and there is a very good reason because by such a policy of concealment they are able effectively to stave off a popular demand for an increase in the income tax. Not only are we permitting these wealthy people to get off almost scot-free, but in addition this taxation on the ordinary producers and the exemption of the wealthy people is producing extraordinarily bad economic effects.

The short time remaining to me prevents my developing this point so I think I cannot do better than quote a paragraph from a letter that I received yesterday from an economic professor, a friend of mine. First though

may I remind the House that the greater part of our national debt is held by Canadians. That is clear, according to the statement of the minister the other day. This professor writes:

In so far as the interest on the internal debt is made up of other than direct taxes the incidence of the indirect taxes falls upon the consumer in the form of higher prices for his goods. In the long run it makes little difference whether such taxes are levied in the form of sales taxes, customs or excise or corporation taxes. There is little doubt that they are finally passed on to the consumer. Higher prices mean that the consumer can purchase a smaller quantity of goods than would be the case if the prices were lower. In so far as purchasing power, rather than capital, is the present limiting factor in our economic order, this reduction in purchasing power becomes significant.

I knew that would please my friends from Alberta. This writer continues:

If the prices are raised on a commodity that has an elastic demand one would conclude that the businesses supplying this commodity would find their operations curtailed. If the prices are raised on a commodity with an inelastic demand one would conclude that the same amount of business would be conducted but that the consumer would curtail his purchases in other lines, so that the final effect would be a reduction in the amount of business within the country.

That is the situation that we face to-day. We are allowing a comparatively small number of people who during or since the war were able to accumulate great wealth to add continually to that wealth, while on the other hand we are taking from the ordinary taxpayers across this country enormous sums to pay interest on the bonds which these wealthy people hold. The effect is undoubtedly that business generally is being depressed.

I wish I had the time to deal with some of the figures mentioned yesterday by the hon. member for Wetaskiwin (Mr. Irvine) demonstrating one of the effects of this policy: that is the increase of the wealth of the wealthy and the decrease of the standards of the ordinary people. We have an estimated population of 9,658,000. Of this population the adults of both sexes over twenty years of age number 5,458,508. Presumably the majority of them are wage earners. Yet the number of income tax payers, in 1929, according to the Canada Year Book of 1930—of which a reprint is already in circulation—is only 129,663, or 2.375 per cent. Roughly, only 2 per cent of the possible income tax payers in this country are paying income tax. I presume the majority of the members of this house pay income tax, and even if we are in the lower rungs of the ladder, we can say that we belong to the very select circle of the 2 per cent of our population. In the year 1927 those paying income tax on incomes from $2,000 up to $30,000 number 128,293, or 98.94 per cent; they paid $11,538,950 or 46.54 per cent. Those paying income tax on incomes of $30,000 and over number 1,307, or a percentage of 1.06; they paid $13,254,448 or 53.46 per cent of the total income tax. So wherever the blame lies, there you have the actual situation, that in Canada, as in Great Britain and the United States, the wealthier are becoming still more wealthy, the poorer are having their standards reduced. That is due in part—I say in part only—to this heavy taxation by which we take money from the great masses of the common people and turn it over to the few prosperous people. Of course, the real difficulty is more fundamental than that; it is that this small group largely controls the whole machinery of production, distribution and exchange.

Mr. GARLAND (Bow River): And credit.

Mr. WOODSWORTH: And credit, if you will, because credit is part of our modern system of production, and as long as a small group controls the whole system the masses are bound to be exploited.

Mr. L. J. LADNER (Vancouver South): Mr. Speaker, yesterday my leader (Mr. Bennett) in his brilliant and powerful speech expressed the views of the Conservative party on the principles and proposals involved in the budget of the Minister of Finance (Mr. Dunning). Having regard to the policy of the government and the Liberal party during the past eleven years, knowing something of the free traders who are found in the ranks of the government supporters to-day, and realizing in many respects in the budget proposal the absence of sound economic principles for protecting the interests of Canada first, I say this budget is astounding; in fact it is more. It is a monster of political ingenuity, having the head of the American eagle carried low with a vacant look of expectant defeat in its eyes, with the mask of Cobden—the great free trader—on the right side of the head towards the Liberal-Progressives, and the mask of Sir John A. Macdonald and imperial trade on the left towards Ontario; its body is the Liberal party, bent and broken, and the only utterance of which this monster is capable, is, "Give me more votes, and I promise you everything." I think in a metaphorical way that sums up to some extent the involved and intricate measures in the budget proposals.

The Liberal party has suffered an astounding, yes, an amazing reversal of attitude so

far as their fiscal policies are concerned. The attitude of the public mind, well known to all those who study the political thought of Canada to-day, is one of approval of the policies which the Conservative party has advocated for a great number of years. In fact, it is more than that, it is an indication of the avalanche of public disapproval which is shortly to overwhelm the government.

My chief function to-day is to review the stand of the Liberal party with respect to its fiscal policy. As I have only forty minutes at my disposal, hon. members will pardon me if I hurry in reading these quotations because I desire to put them on record. In a pamphlet issued in October 1921, headed "Liberals and the Tariff," we find announced the fiscal policy of the Liberal party as far back as 1893. That is reiterated in a number of other pamphlets and official declarations of the Liberal party. In 1893, at the national Liberal convention which was held at Ottawa on June 20 and 21, two resolutions dealing with the tariff were unanimously adopted. Let me read the one dealing with tariff reform:

We, the Liberal party of Canada, in convention assembled declare:—

That the customs tariff of the Dominion should be based, not as it is now upon the protective principle, but upon the requirements of the public service.

That the existing tariff, founded upon an unsound principle, and used, as it has been by the government, as a corrupting agency, wherewith to keep themselves in office, has developed monopolies, trusts and combinations;

We do not hear so much about "monopolies, trusts and combinations" to-day since a certain hon. gentleman has gone to the Senate:

It has decreased the value of farm and other landed property;

It has oppressed the masses to the enrichment of a few;

It has checked immigration;

It has caused great loss of population;

It has impeded commerce;

It has discriminated against Great Britain.

In these and in many other ways it has occasioned great public and private injury, all of which evils must continue to grow in intensity as long as the present tariff system remains in force.

That the highest interests of Canada demand a removal of this obstacle to our country's progress, by the adoption of a sound fiscal policy, which, while not doing injustice to any class, will promote domestic and foreign trade, and hasten the return of prosperity to our people;

That to that end, the tariff should be reduced to the needs of honest, economical and efficient government;

That it should be so adjusted as to make free, or to bear as lightly as possible upon the necessaries of life, and should be so arranged as to promote freer trade with the whole world, more particularly with Great Britain and the United States.

[Mr. Ladner.]

We believe that the results of the protective system have grievously disappointed thousands of persons who honestly supported it, and that the country, in the light of experience, is now prepared to declare for a sound fiscal policy.

The issue between the two political parties on this question is now clearly defined.

The government themselves admit the failure of their fiscal policy and now profess their willingness to make some changes, but they say that such changes must be based only on the principle of protection.

This is the concluding paragraph:

We denounce the principle of protection as radically unsound, and unjust to the masses of the people, and we declare our conviction that any tariff changes, based on that principle, must fail to afford any substantial relief from the burdens under which the country labours.

That was the primary declaration of policy on the fiscal question made by the Liberal party in 1893. The next important step, as revealed by this pamphlet, is what happened in 1896. It is as follows:

In 1896 when the Liberals came into office under Sir Wilfrid Laurier they at once appointed a tariff commission which fully investigated the exact economic situation in the country. They made a report the next year, 1897. Early in the session of that year the new Liberal government passed its first measure of tariff revision whereby 47 articles were added to the free list and duties reduced on 147 others, including farm implements.

At a convention of the Liberal party held in August of 1919 the following resolution was unanimously adopted:

That the best interests of Canada demand that substantial reductions of the burdens of customs taxation be made with a view to the accomplishing of two purposes of the highest importance: first, diminishing the very high cost of living which presses so severely on the masses of the people; second, reducing the cost of the instruments of production in the industries based on the natural resources of the Dominion, the vigorous development of which is essential to the progress and prosperity of our country.

That, to these ends, wheat, wheat flour and all products of wheat; the principal articles of food; farm implements and machinery; farm tractors, mining, flour and saw-mill machinery and repair parts thereof; rough and partly dressed lumber; gasoline, illuminating, lubricating and fuel oils; nets, net twines and fishermen's equipments; cements and fertilizers, should be free from customs duties, as well as the raw material entering into the same.

That a revision downwards of the tariff should be made whereby substantial reductions should be effected in the duties on wearing apparel and footwear, and on other articles of general consumption (other than luxuries) as well as on the raw material entering into the manufacture of the same.

That the British preference be increased to 50 per cent of the general tariff.

And the Liberal party hereby pledges itself to implement by legislation the provision of this resolution when returned to power.

This is the result of avoiding extremes of view either one way or the other and as best suited to the whole of Canada with the country's various and varying interests.

In September, 1921, the present Prime Minister (Mr. Mackenzie King) made a statement in respect to the tariff question in which he reiterated the same viewpoint. The remainder of my references will be taken from an even more authoritative source; I refer to Hansard of this chamber. It will be seen from that record that one of the first acts of the Prime Minister when he formed a government was to renounce his stand and the pledge of his party and to declare the fiscal policy to be merely a chart which he would follow if it were suitable. At page 2539 of Hansard of 1922, the present leader of the government when dealing with the tariff question during the debate on the budget referred to the Conservative tariff proposals of May, 1920. In his address he sets out the proposals and proceeds to condemn them. At page 2542 he makes certain specific statements which are rather interesting because it will be remembered that this was the first session in which the Liberal party had the opportunity to put their fiscal declaration into effect. The right hon. gentleman is quoted as follows:

But I might go a step further. Apart from that interpretation the Liberal party at the last session of parliament stated its position on the tariff very emphatically. . . I have in my hand the amendment moved. Here are the essential features of it, and I contend that every one of them has been carried out in the proposals of the Minister of Finance—not in full, perhaps. but that every proposal is in accordance with what is here laid down.

Then the resolution to which he referred is set out, and I will ask Hansard to incorporate it in my remarks:

That while recognizing that existing financial requirements of the Dominion demand the maintenance of a customs tariff, the house is unable to concur in the declarations by the government that the tariff should be based on the principle of protection; the tariff is a tax, and the aim of legislation should be to make taxation as light as circumstances will permit;

That the aim of the fiscal policy of Canada should be the encouragement of industries based on the natural resources of the country, the development of which may reasonably be expected to create healthy enterprises giving promise of enduring success;

That such changes should be made in the customs duties as may be expected to reduce the cost of living, and to reduce also the cost of implements of production required for the efficient development of the natural resources of the Dominion;

That while keeping this aim clearly in mind the house recognises that in any readjustment of the tariff that may take place regard must be had to existing conditions of trade, and changes made in such a manner as will cause the least possible disturbance of business.

Then the Prime Minister continues:

There is the position of the Liberal party as stated in the House of Commons, and that was the position which members of the party took throughout the campaign in setting forth their stand on fiscal reform and tariff revision.

Then again at page 2543 the right hon. gentleman says:

The platform of 1919 was not put forward throughout this last campaign as a pledge or promise on the part of the Liberal party of its proposals if returned to power. . . it proves of itself than hon. gentlemen opposite know very well that throughout that campaign no effort was made to say that the Liberal platform as drafted in 1919 would constitute a promise and pledge to the electorate if the party were returned to power.

In that paragraph you will note a deliberate statement as to their platform of 1919 and a deliberate pledge that they would carry it out. One of the first utterances of the Prime Minister was to the effect that he would not carry it out. Then at page 2544 the Prime Minister is reported as follows:

It was further stated that the revision should be downwards, in the interests of producers and consumers, and that in such downward revision we would seek to lower the duties on the instruments of production in the basic industries and on the necessaries of life, with a view to increased production and a lessening of the cost of living to the masses of the people.

Then at the session of 1923 the Prime Minister in his address on the budget is reported as follows:

In the first place there are in it, so far as tariff matters are concerned, a very large number of reductions in duties. I have in my hand a list of tariff reductions in which some twenty-one different items have been affected by considerable reductions, apart altogether from the general reduction made through the British preference on all articles.

At page 3049 the Prime Minister is reported as follows:

Now, Mr. Speaker, when one considers that the essential features of this budget are: No increase in taxation; a substantial revision downwards of many items in the customs tariff; a large reduction so far as sugar is concerned; an increase in the British preference on all articles coming by way of Canadian ports; a revival of the offer of reciprocity to our neighbours to the south—when we consider these essential features how can it possibly be stated that this is a protectionist budget?

Then at page 3051 we find the following:

Does my hon. friend from Brome believe that Pitt, that Huskisson, that Peel, that Gladstone, that these great protagonists of free trade, never had their days of darkness, of

disappointment and of difficulty? Does he believe that these great statesmen never knew what it was to feel solitary and alone in their inability to realize within a limited period of time the ideal which was so strong in their own minds? Had these men seen well to divide themselves from their party, even to the limited extent to which my hon. friend has found it necessary so to do, would Gladstone's name, would Peel's name, would Huskisson's name stand out to day in history as they do as the men who brought about these great reforms in trade?

Hon. members will recall that at that time our good friend the Prime Minister was in serious difficulties so far as the support of this house was concerned, and he was endeavouring to elicit the support of his friends amongst the Progressive party. I presume the minister would seek to link his name with the names of the illustrious statesmen I have just mentioned.

During that speech on the budget in the session of 1924 the Prime Minister reiterated the same principle. I refer to page 2128:

I would ask the House to recall that it was a resolution moved and in fact drafted by the present Minister of Finance, and to note the emphasis it places upon, first: reduction in the tariff as the main object to be sought; second, its disavowal of protection as the principle upon which the tariff should be based; third, the aim of our fiscal policy as the encouragement of industries based on the natural resources of the country; and fourth, the reduction of such duties as may be expected to reduce the cost of living, and the cost of the implements of production.

Throughout this speech the Prime Minister seeks to reiterate his policy along those lines, and for five pages he quotes extracts from several Canadian newspapers, the effect of which is to show that the Liberal party stands for reduction in tariff and for the fulfilment of the previous declarations as embodied in the policy of 1919. The Edmonton Bulletin of November 16, 1921, reports a speech of the hon. gentleman at Regina, as follows:

His policy, he said, was one of downward revision with the lightening of the tariff burden on implements of production, on the basic industries and on necessities of life.

Again in 1925, as reported at page 2656 of Hansard, the leader of the government reasserted his opposition to the protective policy or anything in the way of increased duties, and reaffirmed the viewpoint which he had previously expressed.

In 1927 the Prime Minister did not speak on the budget, but in 1928 he spoke in the strongest possible terms, and never in any of his addresses in this house has he made a stronger advocacy of a downward revision than during his address of 1928. I refer hon. members to page 1282, where the Prime Minister said:

One reason why I am anxious to place on record what has been done in this regard is that the government with respect to the tariff has been following a consistent policy of downward revision, and, in considering the budget presented this year, it is only right that it should be considered in relation to what has been done in previous years in the matter of tax reductions. I will give in a few moments what we did in respect to cottons and woollens a few years ago. This ought to be taken into account in connection with what is being done this year.

At the conclusion of that address there is set out a list of articles showing the reductions in duty from 1921 to 1928, including 196 specific articles in addition to many other articles of a like description on which the duty was reduced. Then at page 1289 the Prime Minister makes this extremely interesting and suggestive statement with respect to his fiscal policy:

May I say just one further word in regard to the method by which the government has proceeded in the matter of tariff revision. I doubt if the government's method could be better described than as set forth in the resolution which was passed at the inter-parliamentary conference held in Paris on August 25, last year. My hon. friend the Minister of Justice (Mr. Lapointe) referred to a resolution adopted by the League of Nations. That resolution laid stress on the importance of nations reducing rather than raising their customs tariff. We are proud of the fact that Canada stands out as the one country in the world that has pursued the course which was there advocated by all of them. In connection with the inter-parliamentary conference—which I understand is an inter-parliamentary conference of all the nations in the world—the following resolution was passed:

The twenty-fourth inter-parliamentary conference regrets to note a general tendency among the states to raise their customs tariffs. It recommends that the national groups shall endeavour to arrest and to reverse that tendency.

Another of the Paris recommendations completes this one by expressing the wish

"that methods of abolishing, or at least progressively and gradually reducing customs duties, be made an object of study in all countries..."

The report goes on to say that such annual reduction could be sufficiently slight not to cause a crisis and to permit the different national industries to adopt themselves to the new conditions.

I wish to say, Mr. Speaker, that it has been along these lines that the present administration has proceeded in reducing the customs tariff.

So, Mr. Speaker, in 1928 the Prime Minister and his party were consistently following the declarations made in 1893, 1919 and at every session of parliament from then until 1928.

Again in 1929 we had a reaffirmation of the government's stand on its fiscal policy. At page 1385 the Prime Minister says:

> Strive as my hon. friend and his associates may not to credit the government with aught on account of this prosperity, they will have difficulty in having the country believe that the policies which we have put in force during the last seven years have not been in large part responsible for the progress which I have just mentioned.

So you will observe, Mr. Speaker, that as late as 1929 the Prime Minister and his government were still standing by what they considered to be a consistent policy, as enunciated in 1919. Then at page 1408 the Prime Minister said:

> —I hope hon. members will feel that neither amendment is at the present time in the national interest, but that it is very much in the interests of the country to allow the government to continue to carry out the policies which in the past have made for the increased prosperity which we enjoy to-day.

The Minister of Finance made a statement which is reported by Mr. A. G. Dexter in MacLean's Magazine of February 1, 1930. No doubt this is a considered statement of his own views. The article featured the extraordinary and commendable record of the personal success of the Minister of Finance since coming to this country. At the same time this article quotes the Minister of Finance as giving his statement of policy in these words:

> We shall move forward cautiously toward the goal of making our tariff structure bear as lightly as possible on production, industry, and the people generally, having always in view the greater prosperity of all the legitimate industries of Canada.
>
> The tariff must be made to serve the best interests of the Canadian people as a whole. It must be adjusted from time to time to meet the needs not of one class or group or industry alone, but of our whole economic structure. This does not mean tariff tinkering, so-called, but it does mean a continuous expert examination and adjustment whenever the facts so revealed warrant.

I commend these next words to the attention of hon. members:

> The Liberal policy throughout the period of years since 1921 is the best evidence of what our policy is. We stand by our record in that regard. We intend to pursue that policy in future.

Such, Mr. Speaker, was the statement of the Minister of Finance of February 1 of this year, but since then what has happened? The government saw that it was inevitable that in the near future they should seek the approval of the people. It was apparent to them that the results of their economic policy had not worked to the advantage of the general masses of the people, but had been a contributing factor in bringing about economic depression, a very large volume of unemployment, an adverse balance of trade of $103,000,000 and a disturbance of our business activities which was calculated to put this country in a very serious condition. So, being faced with these facts, with characteristic political ingenuity and some knowledge of the approval by the people of politics which the Conservative party has supported for a long time, the Prime Minister and his government categorically, without explanation or excuse, reversed themselves, went back entirely upon their fiscal policy and brought into parliament a budget which involves proposals of great consequence to this country and which, as I said a moment ago, do not give consideration to the interests of Canada above those of all other countries.

It is not my intention to go into this phase of the matter, because it was dealt with very ably and completely by my leader yesterday. I make this statement, Mr. Speaker, that no policy is sound which does not work for the prosperity, for the comfort and for the happiness of the working people of this country. I would direct the attention of hon. members of this house to the official records of the government. There are two publications issued by the Department of Labour dealing with the prices of commodities in Canada and the wages and hours of labour. If hon. members will refer to the first document, they will find disclosed on pages 4 and 5 and at page 8 the fact that the cost of living in 1925 was higher than in any other year for the past eight years.

It will be noted that the purpose and idea of the fiscal policies of the Liberal party during the period from 1896 to 1919 was to lessen the cost of living. That was the aim of its fiscal policies, but the records of the government prove conclusively that it did not lessen the cost of living; it actually increased the cost of living to the people of this country.

Another consequence has been that while during the past eight years the cost of living has increased—the tariff question does not determine the cost of living, which seems to be an economic fallacy under which the members of the government labour—the wages paid in most of the industries of this country have not advanced. The document dealing with wages and hours of labour, referring to pages 39, 40, 41, 42, 43 and the following pages, and also to page 63, proves this to be the fact. It will be found in a great many instances that wages have been lowered to a considerable extent. That applies particularly to the common labourer who

receives less to-day than he did in days gone by. However, there is something which is more significant and more consequential, and that is: he does not work so much or so often. That condition is brought about by the fact that the economic life of this country has been dull and because there has been no progress made in the tangible, productive elements of the country in which labour engages.

I might say that I intended to quote from the address of 1926, but I have brought down the wrong volume of Hansard. I desired that there should be continuity in my remarks.

There are certain outstanding beacon lights which should guide any government in considering a fiscal policy. The most important features which should be considered are the distribution of population and the economic activities of the people. This budget does not feature in its essentials any advantages which will accrue to the interests of Canada itself. The last census shows that 77 per cent of the population of this country was born in Canada, 11 per cent in Great Britain, 4½ per cent in the United States and 7½ per cent in other countries. This population is distributed as follows:

	Per cent
Ontario	33½
Quebec	27½
The four western provinces	28
Maritime provinces	11

I would ask the house to note the activities in which these people are engaged. What do the people of Canada produce? What are they doing? What are the things which are of the greatest consequence to them? What are the ways in which a government can by legislation in a fiscal way contribute to their welfare? The value of the gross production of manufactured articles in Canada for the year 1928 amounted to $4,491,000,000; the value of agricultural products amounted to $1,905,000,000, or a little less than one-half. The value of forestry production amounted to $473,000,000; that of mining, $308,000,000, and fisheries, $70,000,000. The gross production from all sources, including other minor articles not mentioned, amounted to $6,679,000,000.

It is interesting to note that the province of Ontario produces approximately 51 per cent in value of the manufactured articles of Canada; the province of Quebec produces 29 per cent; British Columbia, 7 per cent; and Manitoba, 4 per cent. During 1928, the province of Ontario produced agricultural products to the value of $515,000,000; Quebec produced to the value of $291,000,000, making a total of $806,000,000. Manitoba produced during the same period agricultural products to the value of $155,000,000; Saskatchewan, $409,000,000; Alberta, $277,000,000, making a total of $841,000,000. In other words, the two provinces of Ontario and Quebec produced about the same quantity of agricultural products as did the three western provinces.

The value of the manufactured production in the provinces of Ontario and Quebec is about three and a half times the value of the agricultural production; the value of the agricultural production in the three prairie provinces is about three times that of the manufactured production.

A consideration of these facts shows that we have a fiscal problem confronting this country. The government has attempted in this budget to appeal to all elements. I would like to draw to the attention of the house that out of 618,000 employees in industrial life, approximately 300,000 reside in Ontario and 200,000 in Quebec. From the point of view of employment and production, the figures for these two provinces make up a very large percentage of the total.

Speaking in a general way, and without reflecting upon certain proposals which might be advantageous, it would appear that the real weakness in the budget is that it is not based on a Canada first policy. It gives to other countries, such as the United States, the determination of the rates of duties which shall apply. These rates of duties are capable of being used to the advantage of other countries, thus creating an uncertain situation in this country so far as business is concerned. Combined with that, we have the equally irritating and difficult situation that other countries coming under the countervailing duties will be able to influence the fiscal rates of this country, and thus affect the stability of business. When the campaign commences —and I am sorry the Prime Minister was not in the house when I was reviewing his statements since 1921, on the fiscal policy—it will be interesting to observe how he will be able to navigate through the maze of views and different ideas which are to be found in the present budget proposal as compared with those of the previous eight years. It is difficult to see how he will be able to reconcile the present budget proposal with statements even of last year to the effect that the record of the government in the past and their policies of 1929 should be an indication and an assurance of what they will do in the future.

Mr. CHAPLIN: That will not bother him. He will wipe that off quickly.

Mr. LADNER: He will find that rather difficult. I suggest that when the clang of battle sounds and our friends across the way take their positions in their constituencies, they maintain a single course in the matter of fiscal policy, in order that in a statesmanlike way we may find the reaction of the public mind on fiscal questions so that business may be stabilized, progress reestablished, the adverse balance of trade reversed; so that the great working masses of the country may find employment and Canada may go forward in a manner which in my judgment it will not do if the present government is returned to power.

On motion of Mr. Stevens the debate was adjourned.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, May 8, 1930.

The house met at three o'clock.

VANCOUVER HARBOUR

PROPOSED DAM, LOCKS AND CAUSEWAY ACROSS SECOND NARROWS

On the orders of the day:

Hon. J. C. ELLIOTT (Minister of Public Works): Mr. Speaker, I desire in answer to the question asked by the hon. member for Vancouver Centre (Mr. Stevens) of my colleague the Minister of Marine and Fisheries (Mr. Cardin) yesterday, to say that no plans have been prepared by the government with regard to the dam, locks or causeway about which he was inquiring. Plans were prepared and submitted to the government by the Burrard Inlet Causeway Company Limited, in which they proposed to make a structure which would answer the requirements of the case at that particular point, and for which they asked a subsidy of $125,000 a year by way of assistance. That request has not been granted.

RADIO BROADCASTING

PROPOSED CANADIAN PACIFIC RAILWAY BROADCASTING STATIONS

On the orders of the day:

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I trust the government will be able to give the house an assurance that the radio situation will not be further embarrassed by granting to the Canadian Pacific Railway Company a licence for radio broadcasting stations. May we have a statement?

Hon. PIERRE J. A. CARDIN (Minister of Marine and Fisheries): I have just taken my seat. I will read the question in Hansard and answer it to-morrow.

RUSSIAN ANTHRACITE COAL

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, in view of the question asked the day before yesterday by the hon. member for North Perth (Mr. Hay) of the hon Minister of National Revenue (Mr. Euler), I am sure it will not be regarded as anything other than proper that I should direct the minister's attention to this morning's despatch in the local papers as to the importation of Russian coal. It is as follows:

Russian coal will penetrate farther into the Canadian market than heretofore with the transhipment from the Voluntas, first vessel of this season with this product, of a part of its cargo of Russian fuel to Fort William. The Voluntas arrived to-day from Mariupol. The steamer Belvoir will take 2,500 tons to Fort William and the steamer Londonderry will take 1,800 tons of the same cargo to Brockville, Ont.

In view of the telegrams I have received indicating an unparallelled situation in Fernie in connection with unemployment in the collieries, I would ask whether or not steps will be taken to ensure, so far as may be reasonably possible, the prevention of Russian coal supplanting the Canadian product in western Canada and other parts of the Dominion during the coming season. It may be unfair to ask the minister to answer the question at the moment, and I regret that I did not have this matter before me in sufficient time to advise him in advance, but I should like to have a statement if possible.

Hon. W. D. EULER (Minister of National Revenue): In reply to my hon. friend, I may say that some weeks ago, following complaints with regard to the importation of Russian coal, investigations were ordered to be made in Russia as to the prices at which the coal was being sold there and other matters surrounding its production. No report has yet been received.

IMPORTATION OF LUMBER

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): Will the Minister of National Revenue be good enough to give me an answer to the question I asked yesterday?

Hon. W. D. EULER (Minister of National Revenue): According to my recollection the question was as to whether the department had knowledge of the dumping into Canada of maple flooring from the United States?

Mr. McGIBBON: Yes.

Mr. EULER: I would say to my hon. friend that investigation is being made, and if the facts are as reported, certainly the dumping clause will be applied in the usual way.

Mr. McGIBBON: Might I ask the Minister if his department was not made aware of this some weeks ago? It is the second or third time that I have referred to it in the house.

Mr. EULER: I made inquiries after I spoke to my hon. friend a few minutes ago before the opening of the house. I had no knowledge of it myself, but a letter of protest did come into the department. The investigation then ordered has not yet been completed, but action will follow along the lines I have stated, if such action is justified.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Wednesday, May 7, consideration of the motion of Hon. Charles A. Dunning that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Bennett.

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, the motion before the house is the annual and historic motion that the house do now go into committee of ways and means to consider provisions as to the ways and means for the forthcoming year. On this particular occasion the Minister of Finance (Mr. Dunning) is asking the house to supply over $400,000,000 for expenditure during the coming year. Throughout the whole of his statement he failed to give one syllable or a single intimation of how he proposes to raise this vast sum of money. True, in a general way we know the sources from which it will come, but it has been customary, and indeed the main theme of a budget is to indicate to the house precisely how the government expects to raise the money for which they ask. This particular feature the minister has wholly ignored. There is however before parliament a demand for $400,000,000, and he gives to the house what purports to be a budget speech in which he indicates very extensive changes in the tariff, but he does not indicate whether there will be an increase or a lowering of revenue, or what effect these changes will have upon the taxation and revenue of the country. He simply says to this house and to the country, Figure it out for yourselves. We have a right to ask, and we purpose asking the minister, to indicate to the house in a very full and detailed manner the effect of these changes.

Apart from this major oversight on the part of the minister there are three main features to the budget speech—imperial preference, countervailing duties and the growth of foreign trade. I think these may be claimed to be the chief points of the budget speech and I intend briefly to examine them. I shall deal first with imperial preference.

I am sorry that neither the Prime Minister (Mr. Mackenzie King) nor the Minister of Finance is in his seat. In years gone by I think it has been the custom for the Minister of Finance to remain in his seat—

Some hon. MEMBERS: Hear, hear.

Mr. STEVENS: —and listen to any criticism which may be offered so that he may give the proper consideration to such criticism. I can remember one occasion in the year 1922 when the late Mr. Fielding, who sat throughout the budget debate, changed his budget and brought in a second one as a result of the debate and suggestions from this side of the house. The present Minister of Finance however not only utterly fails to give to the house any suggestion as to how he purposes to raise the $400,000,000 but he will not even sit in the house and listen to the discussion of the meagre budget for which he is responsible. I might point out further that he was not in his place yesterday; in fact there were only one or two ministers in their seats yesterday.

An hon. MEMBER: Pretty cheap.

Mr. STEVENS: My hon. friend says, "pretty cheap"; I think it is pretty cheap, and it is a practice unprecedented in the history of this parliament.

An hon. MEMBER: There might be a reason.

Mr. STEVENS: Yes, there might be a reason. If the minister is ill, he has my sympathy.

I purpose reviewing briefly the question of imperial preference. Imperial preference has a long history, and if the minister were in his seat I would ask him why he conceived at this moment the idea of bringing in imperial preference. In 1923 the Prime Minister attended an Imperial conference; he and other prime ministers of the various overseas dominions, in conjunction with imperial authorities, adopted the following resolution:

This Imperial economic conference, holding that, especially in present circumstances, all

possible means should be taken to develop the resources of the empire and trade between the empire countries, desires to reaffirm the resolution on the subject of imperial preference passed by the Imperial war conference of 1917.

At this time, seven years later, the Prime Minister comes to parliament and through his Minister of Finance indicates some changes in favour of imperial trade or an imperial interchange of trade. I ask again why there has been a rush at this time; for seven years the government has been virtually silent on this question; for seven years they have ignored the unanimous resolution of 1923, which indicated that all possible means should be taken to develop the resources of empire.

The subject of imperial preference has an interesting history but owing to the shortness of time at my disposal my review must necessarily be very brief. Imperial preference really dates back to the time of Queen Elizabeth when the navigation acts were first passed. At that time there was bitter competition with the mother country for control of world shipping. Under these acts which were made applicable to the colonies abroad certain privileges were reserved for the mother country and through these privileges they built up the great merchant marine of the British Empire. Then in 1807 the basis was laid for the development of the Canadian lumber trade with Great Britain and a very substantial preference was given to Canadian lumber in the British market. At that time foreign lumber carried £3 5s. a load and Canadian lumber carried only 2s. 6d. That laid the foundation for the great lumber trade of Canada with the mother country which has developed in the last century. Then in 1819 a preference was given to Canadian wheat and I shall refer to both of these matters later. At this time it is my intention to cite merely the historic facts. Preference was given to Canadian wheat which encouraged development of this country and gave Canada an advantage in the British market. A similar preference was given on wine from the Cape Colony. By the way, this preference on wine affords an interesting illustration of what may be done in the development of inter-imperial trade because in a period of thirty or forty years the Cape Colony developed this wine industry from a production of 10,000 gallons up to 600,000 gallons. In 1897 the late Sir Wilfrid Laurier introduced his measure of imperial preference for Canada. At this time I would like to read an extract from the speech delivered by Sir Wilfrid Laurier in 1907, which defined the Liberal party's position in regard to imperial preference.

> Though I hold as the ideal policy, a policy of free trade within the empire, even if at this moment the British government were to tell us, Yes, we are prepared to give you a preference; that is to say, we are prepared to give free trade all over the empire, I would not be prepared, for my part, to accept it. . . . . I should have to say for Canada that we are not prepared to do that because we must insist upon our system of customs duties in order to raise our revenue.

That was the attitude of Sir Wilfrid Laurier in 1907, and at this time I pause to say that in a large measure his statement at that time reflects the present attitude of a great many people in Canada, namely, that Canada in any scheme of imperial preference must consider her own interests, her own affairs and her own customs duties for revenue purposes as well as the rights of her citizens in the industrial realm. In 1902 the prime ministers of the overseas dominions passed a resolution which is of very great importance; if the ministers were in their seats I would direct their attention to it. This resolution is as follows:

> That the prime ministers of the colonies respectfully urge on His Majesty's government the expediency of granting in the United Kingdom preferential treatment to the products and the manufactures of the colonies, either by exemption from or reduction of duties now or hereafter imposed.

I pause to emphasize that for this reason; in my estimation the weakness of the situation lies in the fact that the minister comes before parliament with certain proposals reducing, in a measure, the duty on goods from the motherland. That is all very fine, but he follows that up by saying, "We are not bargaining; we are asking for nothing; we are giving this freely." I think that is a most unwise and unbusinesslike statement on the part of the Minister of Finance. One is not less imperial or less a lover of the motherland if, in discussing business matters, we ask for a quid pro quo. I take second place to no one in my love for the mother country, the land of my birth, which I revere and love as deeply as man can, but for forty-three years Canada has given me a home and prosperity, and I stand first for Canada. I have no hesitation at all in saying to my British brothers, my own kith and kin if you like, "If we are going to give you preferences in our markets you must give us preferences in your markets." There can be no inter-imperial trade where it is onesided; there can be no imperial preference in the full sense if the one has free trade or no preference and the other gives all the preferences. So I revive in the minds of the ministry,—this resolution passed twenty-eight years ago by which all the premiers of the various dominions called upon the mother

country to grant to the overseas dominions some preferences in those markets. The time has come when we should make it perfectly clear to the mother country that if this imperial preference is to continue it must be a two-way preference.

Now I will briefly run over what the various dominions already have done, and I am going to give only the rough percentages because to go into detail would be wearisome. These are the rough percentages of what the overseas dominions have accorded to the mother country in the way of preferences: Australia, 10 per cent and in some cases as high as 20 per cent; New Zealand, 10 per cent to 20 per cent; Irish Free State, one third of the duty on motor cars, 30 per cent to 50 per cent on imported wines and a reduction of one sixth of the general tariff; Rhodesia, 10 per cent to 12 per cent; Union of South Africa, generally speaking about 5 per cent; on motor cycles and electrical appliances, 15 per cent; India allows a preference of 17 per cent on iron and steel goods. Then there is a long list of small dependencies and colonies where the preference runs from 5 per cent to 20 per cent. In Canada the general advantage to Great Britain, as compared with the general tariff, is 10 per cent to 12 per cent, without taking into account the changes of to-day.

There are other features in connection with the imperial preference which might well be studied by parliament and by the government. These are privileges which have been extended to us by the mother country, and we might very well consider if there are any such privileges which we could extend to them. The Trustee Securities Act of 1893 provided that securities for trust funds, including stocks of empire concerns, would be included in the classes of trustees' securities, in this way facilitating the borrowing of money in the old country. Then there is the Empire Marketing Board, to which the British government grants $5,000,000 a year. This is an excellent gesture and serves a very good purpose. There is the Merchandise Marks Act of 1926, which calls for the marking of goods with the place of origin. There is also the Films Act of 1927, calling for an increase in the proportion of films made by British companies or by companies within the British Empire, and we must remember also that government purchases are restricted to United Kingdom and empire goods. At the recent Imperial conference the McKenna duties of 1915 on motor cars, musical instruments, gloves, watches, films, cocoa, coffee, dried and preserved fruits, sugar, tobacco and so on were revived, and in 1925 Mr. Churchill also gave certain other preferences on sparkling and ordinary wines and other articles. I will not go into full details.

Mr. ADSHEAD: Does my hon. friend expect that the mother country will give a preference to Canadian agricultural products such as wheat and so on against the Argentine?

Mr. STEVENS: I will answer that question in a moment; I am coming to that very point now. Now I want briefly to run over a few items in which Canada is very much interested and with regard to which I think we have reason to ask for some preferential treatment in the British market. I want to make it clearly understood that I am not suggesting for one moment that the list which I shall give is comprehensive at all.

Let us consider minerals, for instance; take copper first. Great Britain imports about 160,000 tons of pure, refined copper per year; she is one of the largest importers of copper in the world. Of that amount only 14,000 tons comes from within the empire; the balance comes from the United States, Spain and other places. I think we have a perfect right and I believe it would be a sound principle to say to the mother country, "Here, we are a big producer of copper; we desire to supply some of your requirements." Most of our copper for the past thirty years has gone to the United States; 82 per cent of our production goes to that country in the form of ores or in concentrates, not even smelted, and in addition a large quantity is in blister copper which goes to that country for refining. The city of Tacoma on the Pacific coast, in the state of Washington, has virtually as its chief industry a big smelter which depends entirely on the ores from Howe Sound, just north of Vancouver. Daily thousands of tons of concentrates go past our doors at Vancouver to maintain this huge industry in the city of Tacoma. I have not the figures for the last year or two, but some time ago I went into this question with great care and found that 82 per cent of the copper produced in Canada went to the United States in the form of ores or concentrates. They smelted, refined and merchandised those ores, and where did they sell them? Of the purchases made by Great Britain, 64 per cent came from the United States, consisting largely or in part at least of the copper which we produced, and from which we only got the cost of digging it out of the ground. In that respect I say we have a right to tell the mother country, "Here is an article upon which we can come to some understanding," and I

believe the result would be that the Britisher could get his copper cheaper and we could get more for it, because in the merchandising of copper or any other article, that is in the trading between merchants, there is a profit as well as in the smelting and refining.

Then let us consider lead, of which 40 per cent of Great Britain's requirements come from other than the empire. Great Britain is a big importer of lead. Consider the question of silver, and just here let me say a word or two about silver. I could take an hour to discuss this question but I am just going to say this: I believe at the next Imperial conference Canada particularly—because we are vitally interested—ought to bring to the attention of the empire the great question of silver, silver coinage and the remonetizing of silver. I am not going into the intricate and complex question of the remonetizing of silver, but its history is a tragedy. There is no doubt of this in my mind. In 1873 one billion people in the orient, in China, in India, in the Malay states and in Mexico, were deprived of two-thirds of their purchasing power by the action of the nations of that day. That is one reason for the agricultural and commercial depression which exists to-day all over the world. One half of the human race is living below the margin of decent living. In fact, millions upon millions in China, during this present year, have died largely because of the inadequacy of their purchasing power. To my mind, Mr. Speaker, this matter of silver is the biggest subject before the people of the world to-day. I call attention to it merely because we are a big producer of silver. Great Britain is a large importer, having imported during 1927 55,000,000 ounces of silver. During the same period, India imported 116,000,000 ounces, and nothing would help Canada, Mexico and the United States so much as the solution of this complex silver problem.

Great Britain in 1927, imported 150,000 tons of zinc, principally from Belgium, Germany and the United States. To-day our zinc is selling, I think, for 3 cents a pound.

A moment ago I pointed out that in 1819 Great Britain gave this country a preference in the British market for timber, and that was the basis of the great timber business carried on in Ontario and Quebec. I can recall from my earliest days in Canada—there are others who can go back much farther—seeing rafts of timber going down the St. Lawrence river to the historic city of Quebec, which was at that time the centre of the timber trade of Upper and Lower Canada. What are the facts to-day? Great Britain imports 550,000,000 cubic feet of lumber—I am not giving the board measure, but it can be obtained by multiplying by 12—of which 521,000,000 cubic feet, or 94 per cent, comes from sources other than the British Empire. Canada should be able to secure a larger share of this market. We were told by the British economic commission which sat a year or two ago, presided over, I believe, by Lord Lovat, that at the present rate of consumption the soft woods of the world would be exhausted within 30 years. I cannot say whether or not that estimate is correct, but that statement is contained in the official report. We all know that our great forests are being denuded at an alarming rate. Canada has great forests, and there should be a reasonable conservation of these great resources, but we are entitled to a greater share of the British market. During the past two or three years the exporting of lumber from Canada has been an unprofitable business because it has been necessary to carry it on as close to the margin of profit as is possible. I was told by one of the largest exporters in Canada that although to-day he is exporting three times the amount of lumber that he did some two or three years ago, he has made a smaller profit. This small margin of profit is caused by competition from Russia, Finland, the Baltic states, and so forth.

I now take up the question asked a moment ago by my hon. friend—that of wheat. Slightly more than one-half of the wheat products imported into the United Kingdom during 1927, were imported from foreign sources. I will repeat in part what I said before the right hon. the Prime Minister (Mr. Mackenzie King) took his seat, that I have no hesitancy in saying to the mother country that if this great doctrine of imperial preference and inter-imperial trade is to prevail, if it is to mean anything, it must be reciprocal. There must be two parties to the bargain. That is one of the things which must be asked of the mother country, not with the idea of taxing food but rather of a preference to be granted on Canadian wheat. The question may be asked: how are we going to do that except by taxing food? I will grant that, but it also involves a complete change in the fiscal policy of the mother country. It is not our business to tell the mother country what her fiscal policy should be, but it is our business to tell her that if this empire is to be sustained, econonimic laws, as well as sentiment, must apply. They will have to sit around the table with us and determine what preference we are going to have in their markets. The mother

country has been purchasing the subsidized wheat of Germany, and the overplus of France; she has been combing the world for wheat.

I am not here to apologize for or defend the Canadian pool, because I know very little about its internal workings. There is a very acute problem facing Canada in so far as the marketing of her wheat is concerned. Responsibility rests upon the shoulders of the government to face a national problem of this kind. I will tell the Prime Minister that it will not do to say that that is the business of the cooperative societies handling these things. There comes a time when private enterprise cannot function in the face of great national difficulties, and that time has arrived in connection with wheat. One of the solutions for this problem is the securing of a permanent and larger share of the British market.

I do not propose to go any farther into this imperial preference except to say that the extension of this preference should be mutual and should be based upon an intelligent appreciation of the internal interests of both parties; otherwise it can be only mischievous.

Mr. ADSHEAD: How can we obtain that English market for our wheat?

Mr. STEVENS: I have no desire to repeat myself, but I told my hon. friend a moment ago that it is not our business to dictate to the British authorities what they shall do. Surely two intelligent groups could sit down together and decide these things. One advantage which they want is access to our markets; this government is pretending to give them that access. In turn for that, we have the right to say: Give us a preferential access to your market for some of our vital products.

When the hon. leader of the opposition (Mr. Bennett) was emphasizing the other day the need of looking after Canadian interests, the Prime Minister interjected the remark: What of the empire? I ask the Prime Minister: What of the empire for the last five years? The figures which I will now give show that this condition has been chronic for the last thirty years, and has been accelerating during the last six or eight years. The average figures for the last five years show that we imported $746,000,000 worth of goods from the United States and exported $482,000,000. During the year 1930 the imports amounted to $847,000,000 and the exports $514,000,000. The average figures for five years for the United Kingdom show imports of only $180,000,000 and exports of $411,000,000. Let us look these figures squarely in the face. This thing has been going on for some thirty years. Why the anxiety just now? Is it simply because there is surcharging the atmosphere the suggestion of interimperial trade? Why is it that the Prime Minister has not in any one of the seven years since 1923 when he was a party to passing that resolution at the Imperial conference, acted, although he said at the time that the matter was urgent. Why is it that in the year 1930, just before an election, it now becomes important? Why is it he says to my honoured leader: What about the empire to-day? What about the empire last year, or the year before, or the year before that?

Let us examine further this imperial policy and budget. In nearly 50 per cent of the items I find there has not been any change whatever. Why, the Minister of Finance stood in his place the other day and assumed an air of tragic importance when he said: This involves changing some 500 items in the tariff. He endeavoured to impress upon us the magnitude of the change and that was headlined throughout the country. This was to be a great general revision of the tariff. I counted the items and I think there are 420 instead of 500, but of those there are at least 178 in regard to which there is not an atom of change in duty, the only change being that they are arranged in a different order. In eighty-five others affecting the British preference the change is so slight that it will never be noticed. Let me give one instance:

Malt flour containing less than 50 per centum in weight of malt.

And so forth. This is to be a great concession to the British producer of malt, but the change is one-tenth of one per cent down. In other words, if you paid $10 in duty before the budget was passed, you would pay $9.90 after it was passed, and there are eighty-five articles very little better than that, so that we whittle the matter down to a pretty narrow compass. That is not all. There are other changes which are merely annoying without being of any advantage to the mother country. Let me give an illustration. We have built up in Canada a very fine electrical appliance manufacturing business to manufacture electric lights, switches, wiring and so forth. In Ontario, for instance, there are several large industries built up on that basis. There has been a reduction in the duty on the items:

Electric light fixtures and appliances.

Electric head, side and tail light; electric torches or flashlights.

Electric arc lamps and incandescent electric lamps.

And so forth. I cite these merely as an illustration. The change is from 20 to 15 per

cent and it is simply a trifling, annoying change. It is a question whether anybody will derive any advantage except that it may open the market a little so as to lessen the purchases from Canadian firms and, I venture to say, without changing one iota the price to the consumer. If the government were going to put these things on the free list; if they were going to transfer the business to Great Britain as, under their scheme of inter-imperial trade, they pretend they are going to do, why did they not put them on the free list and put these firms out of their misery? On the other hand, if they have some consideration for Canadian industry, why do they not allow a reasonable, protective tariff to remain on an industry that has been up over a period of thirty-five years? I remember well thirty-five or thirty-six years ago when the first sod was turned in the city of Peterborough for the Canadian General Electric, that huge firm which has gradually grown up and established one of the greatest industries of the country. It is concerns like this that are giving our people a livelihood, an opportunity to make their way in Canada. Why jeopardize them? Why annoy them? If the government are going to have a policy which will put industry out of business, let them say so. If, on the other hand, we are going to have a policy that will give Canadian manufacturers a chance at the Canadian market, then let us retain the duties as they are.

Mr. EVANS: Is that an infant industry?

Mr. STEVENS: I never said it was. Let me tell my hon. free trade friend, this Ishmaelite on free trade, that he has never heard me discuss protection on a basis of infant industries.

Mr. EVANS: If it has been well established, why does it need protection?

Mr. STEVENS: I have not time at present to discuss that, but some day I will take an hour off and enlighten my hon. friend. Let me refer now to washing machines. Just why were they put on the free list? Was any consideration given to the question? There is one industry that I know of with a production of more than $6,000,000 per annum, with 650 employees in a comparatively speaking, small Ontario town, one of those happy communities which, if you like, are models for the world.

Mr. HOCKEN: Like Kitchener.

Mr. STEVENS: Yes; one of those splendid little Ontario towns and one of those industries that are the backbone of eastern Canada. Why should we jeopardize the life of that industry? What is this going to amount to in the great problem of inter-imperial trade?

Mr. CHAPLIN: Let us have the minister treat it as furniture.

Mr. STEVENS: It might be so treated.

Mr. SANDERSON: As regards the washing machine industry I have in my room a letter from one of the largest manufacturers in the Dominion and he is well pleased with the change in the tariff.

Mr. STEVENS: I am glad to hear that. I have my own views on these matters and I am presenting them. If my hon. friend knows of any manufacturers who are pleased with the changes, let him bring them along; the government will be glad to receive them.

Let me say a word or two in regard to countervailing duties. This is a feeble response to a nation-wide wave of indignation against this United States economic penetration. Will the Prime Minister do me the honour of recalling an occasion just about five years ago when we were concluding the budget debate of that session, when I said to him words to this effect, that if his policies were persisted in, the inevitable result would be the economic absorption of Canada by the United States? I think I was laughed at on that occasion, but yesterday we had it from the lips of one of his bright young followers that the reason for what we have before us now is that the United States has, during recent years, so penetrated Canada in an unfair competition that the government has at last been driven to take this action. The Prime Minister and his government come before parliament and in effect say this: We are conscious that throughout Canada there is a wave of indignation against the economic penetration of Canada by the United States under most unfair conditions. So they say: We have imposed countervailing duties. That is the government's answer. Let us examine these countervailing duties. They cover some eighteen items out of some twelve or fifteen hundred in the tariff. That is no answer. It will answer only if it is not discussed, only if the Prime Minister can get over to the public the idea of a countervailing duty against the United States without going into the details and an exposition of just what the application is. It is no answer at all; it is simply the answer of a small boy looking around the corner at the town bully and sticking his tongue out at him. If this thing is serious, if these countervailing duties are to become

the doctrine and policy of Canada, apply them to the tariff as a whole. Apply them on a broad basis.

Let us look at some of these eighteen articles to which the countervailing duties are to be applied. First, animals. I suppose that these duties will apply to goats, sheep, baby chicks and a few things like that. They also apply to live hogs, canned meats and other meats, tallow, beeswax, eggs. I will admit this, that with respect to eggs, so long as the United States duty is eight cents a dozen, a countervailing duty will be partly effective, but should Uncle Sam just in a playful mood decide to lower his duty to four cents, the protection would be gone overnight.

Take fruit and vegetables. On fruit and vegetables the countervailing duties will apply during the winter months when they are not very much required, but when the period of glut comes when the orchards of Wenatchee are able to unload their surplus fruit on a salvage basis, or when there is a glut of vegetables coming in from the southern states at the time when our own fresh vegetables are coming on the market, at that time your countervailing duties will not be worth a snap of your finger. The government repealed the only protection we had against that sort of thing, namely, the dumping clause, and they have refused to listen to the appeals for a seasonal tariff. This answer of the government, Mr. Speaker, is not an answer. These countervailing duties will not do the job. Furthermore, limited as they are to eighteen articles, it is the mere gesture of a schoolboy as compared with what it should be, and that is a frank notice to the United States that we are not going to tolerate longer the condition that exists in this regard.

I must hasten on. I wish to refer briefly to foreign trade. This has been heralded by hon. gentlemen opposite, and particularly by my hon. friend from Winnipeg South Centre (Mr. Thorson), who said yesterday:

> Canada has made greater progress in foreign trade than any other country in the world.

He also declared in the same speech that he wanted British export trade to prosper. That is all right. I want British export trade to prosper in the interests of Britain. But I want Canadian trade also to prosper. I want my hon. friend, who is a student and intelligent, to follow me in a very brief argument if I can get time to put it across to him.

He will admit this, that the United Kingdom has an excess of imports and is a loaning country. I do not think those two facts will be disputed. Her imports are paid for in three ways: (1) By exports; (2) by services, such as shipping and so forth; and (3) by interest on investments. Canada, on the other hand, is a borrowing country, having borrowed six billions of dollars or more upon which she must pay interest abroad every year, which at five per cent amounts to $300,000,000 annually. So Canada is under the necessity of exporting $300,000,000 worth of goods to pay for that item alone. Canada imported last year $1,265,000,000, and she has to pay for that with exports, adopting the free trade doctrine that exports pay for imports. In addition, Canada has little carrying business of her own; she pays British and foreign shipping for her carrying. She will pay out annually about $150,000,000 in carrying charges, and she must pay for that with exports. So you have the sum of $1,715,000,000 that she must pay for with exports, and her exports amount to $1,388,000,000, leaving a deficit of $327,000,000. How do we cover that deficit? By borrowing abroad and gradually mortgaging the Dominion more and more year by year.

Mr. M. F. HEPBURN (West Elgin): Mr. Speaker, it is always pleasant to listen to a speech such as was delivered by the hon. gentleman who has just taken his seat (Mr. Stevens). One cannot but admire his fine flow of language, and to some extent one can almost follow his logic. It seems regrettable that one of the ablest debaters on the opposition side should have announced his retirement from public life, but even yet let us hope that the report of his retirement, like the report of Mark Twain's death, is greatly exaggerated. I shall not attempt to follow his argument in detail. Rather I shall direct myself to the general policy of criticism that was enunciated the other day by the hon. leader of the opposition (Mr. Bennett) himself.

The leader of the opposition was somewhat at sea with regard to a definition of the budget. As we all know, each year the government meets and listens to the representations made by the various members representing the constituencies throughout Canada. We all know how diversified the interests of our country are, and after listening to all these representations the government brings down a policy which sums up and crystallizes into legislation the general needs of the people of Canada as a whole. I think in this respect the government has done exceptionally well in the budget. In fact, I do not think ever before has any budget met with such general unanimity of endorsement as the budget that has just been presented by the Minister of Finance (Mr. Dunning). It would be foolish to say that all members on this side of the house agree with the budget in every detail.

One could not expect that. One could not expect the leader of the opposition to bring down a budget which would meet in detail with the approval of every member of his party. I would like to ask, for instance, how he would reconcile the conflicting interests of his friends from the maritimes, who are seeking a higher rate of duty on coal, with the interests of the Conservatives from British Columbia who would be very glad to see a reduction in the duty on coal. So we have to look at the matter in its broad aspects.

I think that this budget has so confused the leader of the opposition that after his three hour speech on Tuesday he had demonstrated only two things—one that he was completely in the woods and had not yet seen his way out, and the other that it had apparently developed in him a sort of vindictive spirit which probably prompted him to introduce his motion of want of confidence in the words he used, charging the government with insincerity and with having lost the confidence of the country.

I do not know any member who should hesitate more to charge the government with insincerity than the hon. leader of the opposition himself. What was his stand on the liquor export bill? He said that during the session of 1926, when the Conservatives were in power, or thought that they were in power, they adopted a motion to the effect that liquor clearances should be stopped, and so he says, "I am the father of this political child." Then he went on and dramatically rose to great heights, waggling his finger across the floor at the Liberals and censuring them for not having brought down the legislation before, and he said that it was because Liberals were participating in what he called a "rat fund." The hon. member for Lisgar (Mr. Brown) pointed out that in the report of that same commission, a gentleman from Vancouver—I shall call him a gentleman—admitted that he was the financial agent for the Conservative party, and that he had accepted funds for that party from that source. That took the wind completely out of the sails of the hon. leader of the opposition. His speech on that occasion only went to show that he could use a great volume of words, use a machine gun to slay a mosquito and could make a mountain out of a mole hill. He stated in reply that he had not read the whole report of the commission which he tried to use for the purpose of criticising the Liberal party. Now, as parliamentarians, we must accept the word of the hon. gentleman, but I venture to say that when he came to the part which told of his party participating in the campaign funds from the liquor interests he must have stuck his tongue in his cheek and closed one eye. Not only has he claimed parentage to the liquor clearance bill, but he also states that all the good children in the budget belong to him, and all the bad ones to the Liberal party. Further, he claimed paternity of the proposed imperial conference. I think the hon. gentleman is so politically prolific that instead of being known as the leader of the Conservative party he might well be called George Washington, the father of all good ideas in our country.

He assailed some hon. gentlemen on the front benches of the Liberal party rather vigorously, particularly the Minister of Finance and the Minister of Railways and Canals (Mr. Crerar). Well, I do not think he detracted very much from the high esteem in which those gentlemen are held by the people of Canada. He went further, he also attacked the present chairman of the tariff board, Mr. Moore. He attacked him because of the fact that Mr. Moore was at one time connected with the Mackenzie and Mann interests. Evidently attacking men formerly with these people is an obsession on the part of the hon. gentleman; for I remember that at one time he attacked even Mr. Meighen and dubbed him the megaphone of the Mackenzie and Mann interests, although afterwards he was content to be a loyal follower of Mr. Meighen. While he was bringing under his condemnation former associates of the Mackenzie and Mann interests, I thought he might very well have gone down the front ranks of his own party. Had he done so he would have found that the hon. member for North Vancouver (Mr. McRae) was—so I am informed—a leading agent for the same interests, a gentleman who now guards the war chest of the Conservative party. If he did not profit by his connection with the Mackenzie and Mann interests, I think it was only his own fault. He surely missed an opportunity.

The hon. gentleman seems to think that disintegration is taking place on the government side. He might have applied to himself Burns' couplet:

> O wad some power the giftie gie us,
> To see oursels as others see us!

I cast my eye across the floor and observe the hon. member for Vancouver Burrard (Mr. Clark), one of the senior members of the Conservative party, who has announced his retirement from the party; as has also the hon. member for North Simcoe (Mr. Boys), one of the ablest debaters on the opposition benches; there is also the hon. gentleman who

has just taken his seat (Mr. Stevens), a former Minister of Customs in a Conservative administration. Glancing down the front opposition bench, I see missing the genial member from British Columbia, Doctor Tolmie, who even after he left the house had a disagreement with the leader of the Conservative party. Another hon. gentleman missing from the front benches opposite is Sir Henry Drayton, who is now gracing the liquor control board of Ontario as its chairman. There may be some extenuating circumstances in that respect, because anyone found drunk in Ontario might claim a certain degree of respectability from the fact of having purchased his liquor from an organization headed by a belted knight drawing a salary of $25,000 a year. Further down the front benches opposite we have two former Laurier Liberals, who certainly when they speak of the insincerity and deception of the Liberal party should be able to express themselves very feelingly on the subject. I am wondering what attitude my hon. friend the genial doctor from Fort William (Mr. Manion) will take following the introduction of this budget. Will he get up as he did last year, and dramatically with blood in his eye, talk about red-blooded Canadianism and be ready to stay here all summer hoping to take the Yankees out into the front yard and spank them?

Mr. BELL (St. Antoine): May I ask the hon. member a question?

Mr. HEPBURN: Certainly.

Mr. BELL (St. Antoine): Are you discussing the washing machine item on the budget?

Mr. HEPBURN: I think I am washing you fellows pretty well, and I don't need any washing machine to do it.

Mr. DUFF: You need a wringing machine.

Mr. HEPBURN: Yes; but I hope not to subject them to such torture. The same two hon. gentlemen over there probably will again show their solidarity by voting, as they did on the liquor clearance bill, one for and one against the budget. But I would remind the hon. leader of the opposition that those two gentlemen, judging by what happened at the Winnipeg convention, would rather lead than follow him; but the wise Conservative delegates saw that they were in a minority when the votes were counted. However, I have confidence in their sincerity myself. I think they were seeking to do something for the Conservative party, and that, like two Sauls on the way to Damascus, their conversion is complete. But perhaps those gentlemen who sought to lead the party had in mind the present hon. gentleman's record as leader of the Conservative party in Alberta; he ended up in a few years as the only man in the party.

It appears to me that with all these things taking place the hon. leader of the opposition is not having his services appreciated as they ought to be, especially after his impressive dedication of himself to his party at Winnipeg, when with a voice trembling with emotion he dedicated his services and his fortune to the Tory party. If his services are not appreciated, may I ask him then to give a full literal interpretation of his promise and may I suggest to him that he put some of his money into the coming campaign fund? This will help the boys and will be some compensation to them when they get licked, as there is no doubt in the world they will be. It will be some consolation to know that their own leader made a real financial sacrifice. I suppose I should not speak of the great wealth of the leader of the Conservative party. He is rather sensitive about it, for recently he pitched into my young friend from Hants-Kings (Mr. Ilsley) and amongst other things declared that he had earned his money legally. I wish to assure my hon. friend that not a single person on this side of the house would question the legality of his earnings; for we know that being a good lawyer he would certainly keep within the law, whatever else he did.

Now, Mr. Speaker, the leader of the opposition delved into figures as only a skilled lawyer could do, and he left all of us laymen in a state of bewilderment and confusion. But I am rather of the opinion that the practical man on the street will derive considerable satisfaction from reading the budget, when he sees that the public debt in the last five years has been reduced by $257,000,000, and in the past year alone by $44,000,000. He knows that taxes have been reduced, that the interest carrying charges have also been reduced, and that bonded indebtedness of this country has been paid out of current surpluses without borrowing any money. That is such satisfying evidence to the man on the street that all the deductions drawn, and all the arguments put forward by the leader of the opposition are of no avail.

The leader of the opposition went back a few years over the record of this regime. I only wished he had gone back over the record of our predecessors, the Conservative government. That government carried on under borrowed money. They borrowed money during the war, and came out of the war with this country in debt a hundred per cent of the war expenditure, and even the boys who had

fought in the trenches had to come back and help to pay the interest on the money which his government had borrowed largely on tax-exempt bonds. Even after the war the national debt was increased in 1921-22 by $173,000,000. We know all those facts, so I do not think we are likely to take seriously the logic or the reasoning of the leader of the opposition to the effect that this government has not reduced the national debt and taxation as well.

Now, I want to deal with the question of farm protection. I believe frankly in the principle underlying the constitution of the tariff board, that is, if we can possibly do it, to take our contentious tariff problems out of politics. But we have not yet completed what I consider to be the real policy of this government, that is some time in the future to adjust our tariff by scientific methods only. I desire to mention one or two economic principles underlying farm protection. You cannot by the tariff increase the price on any commodity on which we have an exportable surplus, nor can you maintain the price on importations beyond a certain point where we go back on an export basis. So there is no guarantee to the farmer that he is going to have his prices increased and maintained under the policy of a general tariff increase. Having that in mind, it would appear to me that if the farmers subscribe to an increased tariff on farm products with a corresponding increase at the industrial end of it, they will find themselves in the final analysis up a blind alley. I did oppose farm protection, because in other countries where the farmer has subscribed to the doctrine it has been put into effect by Tory governments. The farmer found in a few years that the cost of production of his farm products has increased without any corresponding increase in the price of his products. Hence we see where a general tariff upheaval took place in Australia, and the farmer producers are undertaking to-day to understand their situation.

Now I want to show the difference between a Liberal budget or Liberal tariff schedules and a Conservative revision of tariff. I have pointed out the situation in Australia and I wish to point out the situation in the United States. What happened over there? In that country they did elect a good Tory government and the farmers subscribed to the policy of farm protection. A special session of congress was called for the purpose ostensibly of farm relief, but when congress met the industrialists took control, and while the farmer will as a result get certain tariff increases the action of congress will not affect the price of goods he has to sell. At the same time the industrialists who took control of congress have written a thousand increases in tariff into the statutes of the United States. There you see the sad spectacle of the farmer being completely out-generaled and having the cost of his living increased; on the other hand there has been no increase in the price of the goods he has to sell.

At this point I would like to compare press comments in the United States and Canada. Generally speaking, throughout Canada there is unanimous wholehearted endorsation of this tariff schedule of revision. On the other hand I have before me extracts from American papers which I do not intend to discuss in detail; I will just summarize by saying that the Christian Science Monitor stated that 90 per cent of the press of the United States was opposed to the present tariff schedules there. It points out that congress is functioning not in the interests of the farmer but in the interests of the industrialists who to-day control 96 per cent of the market and are seeking to control the other 4 per cent. It is also their object to dictate their prices to the farmer. Let us review the reaction of the United States to a Tory budget of this kind. In the Milwaukee Journal, which is published in the centre of the agricultural section of the United States, we find the following comment:

> If foreign protest serves to bring it home to congress that even the favoured few whom it is trying to bless with its tariff increases may suffer more than they gain, well and good. But deeper than this is the recognition by this country that congress is not legislating for the nation, but for a favoured group who find revision of the tariff a more golden opportunity than earlier pirates found the laden galleons of Spain.

A reference is made in the Boston Transcript, and then a further reference in the Chicago Tribune, which reads as follows:

> Certainly it will do the farmers in general no good if their representatives in congress trade higher tariffs on the goods which all farmers consume for higher tariffs on goods which some farmers produce.

Then we have a statement in the New York American opposing the action of congress and stating again that 90 per cent of the people of the United States are against this Tory revision. However, you will not find 90 per cent of the Canadian people against the present proposed changes; in fact we find almost unanimity of opinion as to the tariff schedule as it has been rearranged. While it gives the farmer what he wants in respect to his domestic market, at the same time it protects him from exploitation by the protected interests which are always seeking higher and higher tariff.

Hon. gentlemen across the way say that there is nothing in the British preference; that it means nothing; that this new avenue of trade we are trying to open up is not capable of development. We know differently. I am not going to take the time to read any of the comments of the British press, but I may summarize by saying that the British press recognizes that this is not only a gesture of good will but a method by which the British industrialists can open up new avenues of trade for their produce and marketable goods and can in turn take care of the ever-increasing food production in Canada. We heard a great laugh from our Conservative friends when mention was made of placing fruits and vegetables upon the free list under the British preference. The laugh was on the other side of their faces however when the Minister of Finance announced that trade arrangements with the West Indies would permit the importation of a great quantity of fruits and vegetables. I listened intently and with great respect to the remarks of the leader of the opposition when he attempted to minimize the importance of our present trade arrangement with the West Indies. In this connection I wish to place on Hansard a statement issued by Mr. M. J. Hunter, president of the Toronto Fruit Protective Association:

When domestic fruits and vegetables are out of season it will tend to increase business with the West Indies. Until last year the Indies have not kept pace with the times in the marketing of fruit. They shipped it in containers such as their ancestors used seventy-five or one hundred years ago. Often the growers brought it down to the wharfs three or four days before the date of sailing. Then it was loaded on ships which had no refrigerator systems. They knew nothing about packing lettuce in ice, for example, as the California growers do. All the new Canadian National steamships have refrigerating systems to carry fruit, and representatives of the West Indian growers spent last year in Canada studying marketing methods and requirements.

He said in conclusion:

At the same time any increase in the amount of fruit and vegetables brought in from the West Indies will not be a detriment to Canadian producers since they will only come in during the season when Canadian-grown fresh fruits are off the market.

On top of that we have a statement which appeared in The Ottawa Citizen a short time ago to the effect that a boatload of vegetables had arrived at the port of Montreal from Bermuda. It was announced that the whole cargo was sold out and many Ottawa merchants went to Montreal for the purpose of inspecting it. That would seem to be an indication as to the possibility of developing trade with the West Indies with respect to fruit and vegetables. The fortunate part of it is that these fruits and vegetables can be imported from the West Indies during the season when Canadian-grown produce is off the market, and in return we can sell many of our marketable products to them. My hon. friend the leader of the opposition made some statement in regard to economics. His remarks may have been prompted by political motives, but I wish to say that I am always interested in getting the opinions of the leading economists. I have in my hand the opinion of two outstanding economists, one a Britisher and the other a Canadian. I shall refer first to the statement of Sir Benjamin Morgan, who was for ten years chairman of the British Empire producers, organization and is now vice-chairman of the Empire Economic Union:

These proposals will stimulate as nothing else could the desire throughout Britain to reciprocate by increased purchases of Canadian goods and will help to crystallize a policy that will make for the consolidation of the empire into one economic unit.

He goes on to state:

It is a great example to the empire and if we could embody the Canadian proposals in a commercial agreement with the mother country together with maximum reciprocities on the part of Great Britain, we should stabilize for a number of years the outlook for industries in both countries. Voluntary preferences in the past have suffered from being subject to revision or alteration in each succeeding budget, and the time has come when it would be to the advantage of the empire countries to replace voluntary preferences by a negotiated reciprocal commercial agreement. I hope this may be crystallized at the forthcoming imperial economic conference.

When an economist such as the one I have just quoted holds an opinion diametrically opposed to the opinion of the leader of the opposition, I am very much inclined to take the views of the economist, who points out that Canadians will find an increased market for their produce and at the same time the Canadian farmer will be guaranteed against the increased cost of production by this new trade which will develop with the British Empire.

I have before me the statement of another economist, **Professor K. W. Taylor**, the authority on public finance with the economics department of McMaster university. He is reported as having said among other things, the following:

Overseas trade has been built up by the government by the extension of the work of the Department of Trade and Commerce with the establishment of Canadian trade commissioners in foreign countries. The development of export trade must be done by the individual business man. All the banks and the government can do

is to point the way. The reduction of tariffs to Great Britain will certainly build our overseas trade.

I was very glad to see that Mr. Dunning deprecated the tariff wars. The past 100 years has proved the futility of tariff wars.

In regard to British preference I wish to point out that while under our revised schedule some may say this is a high tariff budget, I would say on the contrary that it is very well balanced. If hon. members would study the schedule they would find that the rates have been greatly changed. In the general tariff 54 items have been increased and 46 have been decreased. Under the intermediate tariff 35 items have been increased and 98 have been decreased. Under the British preferential tariff the rate has been increased on 11 items and decreased on 270 items. When the revision is complete the tariff schedule will consist of 1,118 items, and of these 559 will be free under the British preference. I think it is futile and useless for our friends across the floor to argue that these changes will not stimulate trade and are not in keeping with the principle of trade extension advocated by the Liberal party.

I do not know just what is left for my hon. friends across the floor to talk about. It may be that they will bring forward the idea of the unfavourable trade balance, which seems to give them quite a handle as long as they can becloud the real truth of the matter. We must admit that this year we have an unfavourable visible trade balance of about $113,000,000, but we know very well, and any child should know, that if the marketable wheat had been sold out of this country we would have added about $225,000,000 to our sale of goods abroad, or perhaps more, and that shatters their argument with regard to the unfavourable trade balance. In the ordinary business of the year we are still ahead; in that respect I would say we have a favourable trade balance of about $112,000,000, and we have not taken into consideration the invisible trade balance of this country.

Coming as I do from the southern peninsula of Ontario I am in a good position to closely observe the American tourist traffic. It was estimated last year from reliable sources that our United States friends spent about $300,000,000 in this country in that period. Personally I believe that to be a conservative estimate; nevertheless we will accept it. That estimate was made by the president of the Royal Bank of Canada, by the Wall Street Journal and by various motor leagues throughout the country; and all these authorities go on to point out that it is possible for us in Canada to develop this business to a billion dollars annually. If we do that, to a certain exent it will take away from our exportable surplus and, under the logic advanced by hon. gentlemen opposite, it will be possible further to confuse the people of Canada. However, I do not believe they will be able to confuse the people of southern Ontario, because those people know very well what is going on. In the summer time they see that about every other car on the highway is from the United States, and they realize that at least fifty per cent of the business done by the retail merchants of southern Ontario is carried on with American tourists.

It would be folly for this country to carry into effect the idea enunciated by my hon. friend who preceded me in this debate. He spoke of a general upheaval of the tariff. Supposing we carried out that policy in its entirety and increased the cost of all our goods in Canada. Then we would be in such a position that we could not offer these goods at attractive prices to our American friends. If the American government goes on increasing the tariff of that country, as it proposes to do, thus increasing the cost of all the articles the people of that country must buy, we will be able to offer them an extremely attractive proposition in the way of cheaper goods. I do not doubt that if we maintain this policy which is now before us, within the next five or six years at least we shall be selling to tourists from the United States fully a billion dollars' worth of goods in our own country.

Then there is one other question, that of unemployment, to which my hon. friend the leader of the opposition made some reference. Well, the explanation of unemployment is very simple. We are living in a new era, an age of mechanization both of the farms and of the industries of Canada, and we realize that situation, which is very obvious to us when we see the displacement of labour by machinery. As a farmer I see how this works out in carrying on my own business; I can do it with less labour than my grandfather needed. Now we have tractors; we have electrical equipment as well as all the other modern labour-saving devices on the farms, and we must buy and use these devices in order to be on a competitive basis. In the western provinces we have seen the introduction of the combine harvester, and we know the amount of labour being displaced in that way; we know that there may not be any more of the old time harvester excursions to the west. We see that sort of thing all along the line. We see the displacement of labour by machinery in industry as well. I am not going to attempt to place on Hansard any of the official figures in this regard, but

I was very much impressed with the speech of the hon. member for Bow River (Mr. Garland) in connection with this matter some time ago; I think he put the matter about as clearly as any hon. member of the house could have done. He showed just how we are being affected by the displacement of labour in our industries. We know also that our railways are carrying much more traffic with fewer and fewer men; every advance in machinery is a movement in the direction of displacement of labour.

This is an economic problem which is not confined to Canada; as a matter of fact I think we are suffering from it and from unemployment less than any other country in the world. Figures which have been compiled by the Daily Herald of England, the official organ of the Labour party in that country, indicate that there are 16,000,000 unemployed in the world to-day, and they prophesy that this number will not be materially reduced. We are not suffering as acutely as other nations have suffered, although in the winter time, because of our peculiar climatic conditions, this problem becomes more acute. Shipping on the inland waters is held up; our construction programs are to a certain extent suspended; so that all along the line we see that displacement of labour which is occurring in every country in the world. Our Conservative friends seemed to make quite a point of this problem during that part of the year when unemployment was at its greatest, but after all I think when we apply cool reasoning to the consideration of the matter our opponents will not be able to make much of a case in regard to the unemployment problem throughout the country. I believe the workingmen of Canada have enough confidence in the present Minister of Labour (Mr. Heenan) to know that they have a friend at court to whom they can come at any time for an adjustment of their problems. When the time arrives for Canada, along with the other countries of the world, to deal in a scientific way with this question of unemployment, I do not believe we shall fall very far behind the rest of the world. I am happy to see that this government has taken the lead and announced its own policy based on the principle of the eight-hour day, with a minimum wage for men working on government contracts.

The question has been raised as to just how the people of Canada are going to benefit by this proposed budget. As I say, we are going to settle the unrest among the farmers, the unrest which has been created because of an economic disturbance which is world-wide. I refer to the question of over-production. When we have over-production it is always followed by a period of low prices, and in a period of low prices it is very easy to stir up trouble, especially in the rural sections. Our Conservative friends certainly have not missed their opportunity in this respect. At the moment I have before me some of the propaganda put out in the form of literature by our hon. friends across the way in which they tell the farmers of the importation of $300,000,000 worth of farm products. When we go into these figures, however, and analyze them, we find that they include the importation of alcoholic beverages to the extent of $48,844,-110; sugar to the extent of $26,405,199, crude rubber to an amount of $17,410,004, tea to the extent of $11,752,521, and so on all down the line. I think when hon. gentlemen across the way are sending out propaganda for the sole purpose of creating a condition of unrest in the rural sections of this country at least they should have some regard for the truth. I believe it would be a very good lesson to some hon. gentlemen opposite if, in the cold aftermath, they could read over some of their literature and let it sink in.

That unrest, as I see it, has been cured by this budget. We have settled that anti-American feeling which has developed in this country and which we have had to face, and we have not settled it by the "brick-for-brick" policy advocated by hon. gentlemen opposite. We have settled it by imposing countervailing duties, and I could quote from United States papers in which it is stated that they do not blame Canada for having taken this action and do not look upon it as the brick-for-brick policy. They say it is not even a challenge. This, as I would interpret it, is reciprocity, not starting at the bottom and working up but starting at the top and working down. The latch key is in the door, and if our American friends want to give us access to their markets and gain access to ours, they have it within their power to do so. As one who believes in the principle of reciprocity I believe we should leave that key right where it is.

I do not believe our Conservative friends are going to make very much political capital out of the situation as it exists at the present time. They believe the Liberals have stolen their thunder, and as I said a moment ago the Minister of Finance has put them very much in the woods and they do not know how to get out again. I know there will be a sense of appreciation on the part of the churches because of the fact that men now can donate freely to the churches and get exemption in

their income tax for the amount of their donations. Then we have taken a step in a similar way also to aid our schools, and I think that was a mighty fine thing, especially in this age when we want to educate our young people as best we can and when we realize that after all an educated people is the best asset a country can possibly have.

This budget goes right into the home; we have made changes which will enable the people to have cheaper tea, and they can also drink it from a cup which will enter the country free of duty. They are even going to have cheaper houses to live in. I was very much amazed the other day to read in the newspapers statements of very prominent contractors in Toronto, including the president of the Dufferin Construction Company, I believe, who said they appreciated the present budget because it would give them cheaper building materials and machinery and the people could look forward to cheaper homes. I do not know how my hon. friend from South Toronto (Mr. Geary), who is now writing so industriously, can ignore this provision of the budget. If there is one good Tory in the city of Toronto he sits smiling at me at this moment. When I read in the press the other day that the people of Toronto alone had been saved by this budget $6,500,000 in taxes, it prepared me for the shock of seeing my hon. friend stand up to vote against the amendment of his leader.

While there has been some manipulation of the sales tax figures by the leader of the opposition, the fact is that the sales tax has been reduced 50 per cent. It has been reduced from 2 to 1 per cent, and one from two leaves one, and one is half of two, and half of one is one-half, or 50 per cent. I still contend that we have reduced the sales tax by 50 per cent, and we have incidentally saved the purchasing public of Canada some $20,000,000.

I do not think that the people of Canada will fail to show a sense of appreciation when this government appeals to them as it intends to do in a very short time. We are quite prepared for that, so come on Macduff.

In conclusion I would say that it has been stated that the king's government goes on forever, and taking into consideration the splendid record of this government, I would say that the government of Mackenzie King will also go on forever. Never have we had such an array of talent as we find at the present time on the front benches of the government. The Prime Minister has shown that he can emulate his grand old leader, Sir Wilfrid Laurier, by choosing able men to act as ministers and advisers. I think the record of this government for the past eight or nine years is one that will make insignificant the arguments of our hon. friends. When the ballots are counted they will be I hope in the wee, small minority.

Mr. W. R. FANSHER (Last Mountain): Mr. Speaker, I will not attempt to follow the fluency of the hon. member who has just taken his seat (Mr. Hepburn). I listened rather attentively to his remarks, but there was one part of his speech which struck me as being rather peculiar as coming from that hon. member. If I heard him correctly, he stated that the Liberal party had stolen the thunder of the Conservative party. I think that remark would work both ways. We have had a Conservative party which has consistently called for protection, and we have had a Liberal party which has been, not so consistently, calling for lower tariffs. We have to-day one of the most protectionist budgets offered to this country since 1922.

Mr. THORSON: How about the Progressives asking for protection?

Mr. FANSHER (Last Mountain): There were no Progressives from the province of Saskatchewan asking for protection. If the hon. member is implying that any others asked for protection, I cannot contribute to that analogy. You have one interpretation and I have another.

I would like to deal with one phase of the budget which to my mind transcends all others —the British preference. A few days ago there was blazed across Canada in bold headlines the statement that the King government had increased the British preference and that they had gone a long way in making it possible for British Goods to have freer access to Canada. There are very few items in the schedule which can be said to have a freer flow to Canada, because we have a preponderence ourselves of most of the items, and in some cases we are even exporting. It seems ridiculous to consider that hay and straw and similar products have been placed on the free list.

Any items mentioned in the present budget are subject to that clause brought down by the late minister, the Hon. Mr. Robb. His words appear on page 543 of Unrevised Hansard of 1928, as follows:

> At present Canada requires 25 per cent to be empire labour and materials. It is proposed to double this percentage.

That resolution passed, and the percentage of British Empire labour and material was lifted from 25 per cent to 50 per cent. That

affected seriously two commodities, the chief one of which was cottons. Each year we import a large amount of cotton textiles from the British Isles, and we have been importing also considerable copper. Those two items were placed beyond the pale of the British preference and were put into the general tariff because of that clause. It is my desire to show how that particular clause has affected the marketing of Canadian wheat products. More than anything else, it has brought about the condition we have now to face.

Mr. McLEAN (Melfort): Do I understand the hon. gentleman is stating that cottons do not come under the British preference on account of the 50 per cent clause?

Mr. FANSHER (Last Mountain): If my hon. friend will pay attention to my remarks he will receive his answer.

Mr. McLEAN (Melfort): A plain yes or no would do it. I understand the hon. member said that, and I would like to know whether or not I am correct in my understanding.

Mr. FANSHER (Last Mountain): In answering that question yes or no, it would be like answering the question: Have you stopped beating your wife.

Mr. McLEAN (Melfort): That is an old chestnut.

Mr. FANSHER (Last Mountain): I intend to follow out my argument, based on the statement of the Minister of Finance. When the hon. member for Vancouver was speaking on the subject of production, and the number of articles being imported into Canada, the hon. Minister of Finance stated that to sell goods it was absolutely essential that we buy goods. I quote:

> My hon. friend has proven to the hilt the fact that we must buy in order to sell.

Great Britain has been our best customer for wheat for many years, and I would like to read a statement which appeared in the Edmonton Bulletin, dealing with a report circulating across Canada in connection with the exporting of wheat. This article is so important that I feel it should be put on Hansard. It is as follows:

> Britain's Wheat Market Valuable To Canada
> Interesting Facts Brought Out In Report Published From Ottawa
>
> The market in Great Britain is worth twice as much to the Canadian wheat grower as the markets of all the rest of the world taken together. That is a fact that stands out in a report published from Ottawa giving the export figures for the present crop year up to date. Putting it another way, if all other countries barred our wheat by excluding tariffs, the Canadian farmer could still find a market for two-thirds the amount of wheat he now produces—in Great Britain. Or, if Britain barred our wheat, we would have to find buyers elsewhere for three times the amount of wheat we are able to sell in other countries at present.
>
> Canadian wheat—and every other Canadian product—has a preference in Great Britain. The proof is that no other importing country in Europe admits our wheat on the same favourable terms. Should Britain ever adopt a tariff, there is no doubt whatever that Canadian wheat would be admitted on the most favourable conditions granted to any wheat growing country. A tariff is being actually proposed there in order that a financial preference could be given to Canadian wheat.
>
> Listen to this:
>
> The British market is the permanent outlet for Canada's surplus wheat crop, incomparably the largest outlet there is and the largest there is likely to be. That is a fact which Canadians ought to keep in mind when they think of international trade—and when they are thinking of buying imported goods.

That shows that Great Britain is our greatest customer. I want to point out how some other countries are treating us in connection with our wheat. I have under my hand from the Commercial Intelligence Service the duties placed on Canadian wheat when imported into the following countries:

Country—	Duty per 220 pounds	Approximately per bushel
France.	$1 96	53.4 cents
Italy.	2 12	73.6 cents
Germany. . . .	2 26	61.6 cents

Very recently Germany raised her tariff against Canadian wheat and this is the present duty. After perusing this item from the Edmonton Bulletin we can readily understand how essential it is that we should hold the British market for our wheat. Just to show what has happened in Canada, a leading Canadian paper, the Financial Post, has in its issue of February 27 last the following in bold headlines:

> Western grain tie-up cost Canadian steamships $3,104,000 during 1929.

Let us think of that $3,000,000 being distributed through all the avenues of trade, but there were no funds available to start it going through those avenues of trade, because the wheat did not move. On the same side of the page we find the following:

> Canada must export 8,000,000 bushels of wheat weekly to July 31, in order to bring down supplies to a reasonable carry-over.

Let me read another short newspaper clipping which is more significant than any I have so far quoted. This is what the president of

the Canadian Pacific Railway Company is reported to have said in Toronto on the 27th February:

The reduced wheat crop, and its failure to move normally, resulted in a loss of $21,000,000 to the Canadian Pacific Railway, E. W. Beatty, the president, told newspapermen to-day. Less than half of this, however, will be made up when the wheat does start to move, which Mr. Beatty expects will be next month.

But it failed to start to move in March. Very little of it moved forward during that month. Let us visualize what $21,000,000 means to one railroad. No doubt the resultant loss to the Canadian National Railways would be a corresponding amount and this means that about $40,000,000 did not start to move in its ordinary course through the avenues of trade, to the trainmen, the men who take care of the operation of the railroads. If this amount had been available to trickle through the avenues of trade and, I might say, stall off the great depression that has come over Canada, we should have been in a very favourable position if we had been able to market our wheat in the orderly manner we set out to do. Some hon. members may say: The depression put Great Britain in such dire straits that she could not buy our wheat. The people of Great Britain have been buying wheat and we should have been accorded the British market in proportion to other countries that were shipping wheat to the motherland. But it seems to me there is a reason why this has not been the case and a little later on I want to show that this reason was very pronounced because of the 50 per cent clause to which I made reference some time ago.

I have from pages 11 and 12 of the Trade of Canada a comparative statement showing the following percentages collected on goods coming into Canada from Great Britain and the United States:

Year—	Average duty collected on goods from the U.S.	Average duty collected on goods from Great Britain
	Per cent	Per cent
1921	20.3	20.9
1922	23.0	24.8
1923	22.5	24.5
1924	22.3	22.3
1925	23.1	22.1
1926	23.9	21.6
1927	23.1	23.9
1928	22.3	25.6

It will be seen how the percentage against Great Britain has risen.

1929	23.4	25.9

We have been making it more difficult for British goods to come into Canada and when the 50 per cent clause went into effect by order in council on February 1, 1929, that was, we might say, the last straw that broke the camel's back. From then on we began to find it difficult to market our wheat in Great Britain. The trade figures show over a period of time that we sell to Britain nearly twice as much as we buy from her. That is a state of affairs which is not conducive to business. We cannot continue to sell goods to a country without taking goods in return. The figures are glaring. I am unfortunately unable to give them to the house at the present time because apparently they are not on my file. If, however, we look at pages 11 and 12 of the Trade of Canada, we see that the ratio is approximately 1.75 to 1.9 of goods shipped from Canada to Great Britain to one coming from Great Britain. During the slump of which the Minister of Finance made mention in his budget address, Britain found herself in a position where it was necessary for her to trade with countries with whom she could trade on an even basis. In other words, she found that she must buy from countries to whom she could sell. For that reason the British people were forced to take Argentine wheat, shipping British goods in payment for that wheat, and as long as the Argentine republic had wheat to sell, Canada could not induce British buyers to take any great quantity of our wheat. There was a good deal of discussion in Great Britain over this particular phase of the situation and I have under my hand some clippings from the Manchester Guardian Commercial, which is published in the centre of the cotton industry. I should like to read a short editorial from the issue of the Manchester Guardian Commercial of April 11, 1929. There are many other articles in that paper dealing with this subject. Nearly every week, in fact, it has contained long articles on this particular situation. I quote:

The Manchester Chamber of Commerce has sent to the Canadian High Commissioner in London a memorandum suggesting various methods by which Lancashire cotton goods could be exempted from the full force of the proposed change in the Canadian tariff regulations under which, to qualify for admission under the British preferential duties, 50 per cent of the value of goods must represent British materials or labour. Many of the lines of cotton goods shipped to the Dominion, owing to the large percentage of their cost which is represented by raw cotton, the supplies of which from British sources are not adequate

in either quality or quantity to the needs of the trade, would not be admitted under the preferential tariff, and the Chamber suggests that, on this account, cotton goods should be treated on a different basis.

I think that is the answer to my hon. friend from Melfort (Mr. McLean).

Mr. McLEAN (Melfort): No. I was asking the hon. member if he would say that cotton goods have been or are now being excluded under the 50 per cent British clause—not what a newspaper might say about it before the law went into effect. It is for information that I am asking. I would like to know.

Mr. FANSHER (Last Mountain): The market for raw cotton has varied very materially within the last few months. There are times when the cost of the raw cotton in the finished article is below the 50 per cent provision, but it is only on a few occasions that the cost of the raw cotton does not exceed the 50 per cent content. It often runs up to as high as 57 per cent of the finished article, when only 43 per cent would represent British material or labour, and if it does not contain 50 per cent British material or labour, it is barred. No country can do business on that basis. One week Britain can rush in her textiles, and the next week she is debarred from doing so because the price of cotton has risen sufficiently above the 50 per cent provision that she cannot qualify.

The article from which I have quoted goes on to state that if that provision were modified so that 75 or 85 per cent of the labour employed on this raw cotton had to be British, then Britain could qualify. Canada gets her cotton from the United States, the very same source from which Great Britain gets hers, and so long as no action is taken in regard to this 50 per cent provision, we must realize that it is a protectionist measure purely for the protection of the industries of Canada. Whether that is necessary is a matter for argument. Some hon. gentlemen have their viewpoint, and I have mine. But suppose this condition to which I have referred is permanent. Suppose the two great railways in this country are each going to lose $21,000,000 of revenue next year because the wheat crop does not move. There will then be only one or two more crops in that position before there will be no more crops to move, because the farmers of western Canada cannot continue piling up their wheat from year to year and still carry on. Neither can the railroads afford to keep the railways up to efficiency and maintain their full staffs unless they can get the freight to haul. There is the situation. Protection for industries may be all right according to the views of hon. gentlemen to my right and across the way, but when you have protection to the point where it interferes with the free flow of wheat to Great Britain and the free flow of British goods to Canada to pay for that wheat, you are interfering with trade to such an extent that it becomes stagnant.

I wish to quote from another article in the Manchester Guardian Commercial, dated May 30, 1929:

> The hope that the Canadian government would modify its extreme protectionist attitude has been growing more remote; the ministry has stuck resolutely to its policy of raising the percentage of British labour and materials necessary to qualify for the preferential tariff from 25 to 50, and recently it has become clearer than ever that the government did not mean, if it could be avoided, to allow those exceptions for which British manufacturers asked.

Further it says:

> We have repeatedly pointed out that by raising the percentage of British labour and materials necessary to qualify for the preferential tariff Canada was, in fact, giving her home industries a greater measure of protection against goods imported from other parts of the empire, and it now appears that Canadian ministers not only admit the fact but claim credit for it. Dealing with cotton goods, Mr. Robb, the Minister of Finance, went so far as to admit that the new tariff would exclude some English cotton goods when the cost of raw cotton is high. He saw no reason, he said, why these goods should not be made in Canada.

With that phase of the argument I have not time to deal. We are faced with a situation which must be dealt with, and it can be dealt with only as suggested in the two articles I have quoted, namely, that this 50 per cent clause so far as it relates to cotton and to copper must be modified in order that we can put British and Canadian trade on a more equitable basis. This condition I know has been aggravated by the great slump in prices, but it has not reached such a point so far as cotton is concerned that it relieves the situation at all.

We have another situation staring us in the face, namely the conditions in Russia. Temporarily we have lost the British market. They will not buy from us until such time as they cannot get wheat from countries that will take their goods in return. What is the situation in Russia? It is not long ago that the press was containing almost daily reports of the Soviet government buying farm machinery. It was recently stated in the press that the Soviet government have bought or contracted for

this year agricultural machinery to the amount of $500,000,000. They are going to organize their farms on a communal basis—and they have gone a long way towards doing that—with 100,000 acres in a unit, divided into twenty subunits of 5,000 acres each. On these subunits there will be agricultural machinery sufficient to take care of the tillage of the soil and the harvesting of the crop. These farms are being operated in a very efficient manner. They have engaged in the United States the best prairie farm experts in that country, and those experts have gone over to Russia to manage these farms. Russia has made overtures to Great Britain in connection with the marketing of Russian wheat, and has intimated that she wished to take goods from Great Britain in exchange for her wheat. There is nothing strange about that. Russia will simply ship her wheat to Great Britain, where it will create a credit, and the ships will take back return cargoes to Russia of British goods. I have another article from the Manchester Guardian Commercial on this question. An economic expert, Mr. E. F. Wise, was in Russia for six years for the purpose of organizing Russian cooperatives in order that Russian wheat could be shipped to Great Britain and British goods be taken by Russia in return. He was then recalled, but the scheme has been revived. This economic expert, Mr. Wise, very recently appeared before the commerce committee of the British House of Commons to explain the scheme. If it goes into effect, do we realize what it will mean to the great basis industry of Canada unless we do something forthwith—not simply think about it or do something in a year or two? The situation calls for action now if we are going to save from destitution the wheat growers on the western prairies. It is such a serious matter that we cannot wink at it, if I may use the expression; we must face it. The only way to face it is boldly and courageously. Of necessity, if we expect to dispose of the exportable surplus of our enormous crops in western Canada we must find a market in Great Britain for at least 350,000,000 bushels of wheat. That is absolutely essential. I only wish I had the ability to bring home to the house the seriousness of the situation. The article of which I have made mention is not very long, and I wish to place it on Hansard:

> The visitor to contemporary Russia is always a little startled to find the opera and the races and many other likenesses to the presumably wealthier capitalist civilizations; and those of the British trade delegation now in Russia—

That is April a year ago.

> —who were making their first acquaintance with this interesting country were no doubt assured—as those who had arranged for their hospitality meant them to be—that it is possible to make life tolerable even under Soviet rule. But some of the more experienced members of the delegation must have been impressed, too, when the president of the Russian State Bank talked of orders for anything from £150,000,000 to £200,000,000 that could be placed in Great Britain during the next five years. Although M. Piatokoff was talking only of Russia's probable requirements—and even the rigorously planned economy of Russia does not always function without a hitch—it seemed almost anti-climax that with this bait he should have been angling only for the resumption of normal diplomatic relations between Russia and Great Britain.

Mark you this.

> No British government alive to the importance to British trade of the Russian market would ever have broken off diplomatic relations between the two countries. We should imagine, therefore, that M. Piatokoff was more concerned to attract attention to his second plea —that the time had now come to renew the treaties negotiated by the MacDonald government in 1924 and since allowed to lapse; and here, though there was much that was unexceptional in the treaties, we did not find M. Platokoff so alluring. For these treaties did contemplate a loan to the Russian government guaranteed by the British government, and this is certainly not the most satisfactory method of satisfying Russia's demand for credits.

Then it goes on to say:

> The Russian government has so far punctually met its current liabilities, and if still larger credits are necessary the British government might assist by extending to British traders with Russia the benefit of the export credits scheme. But for the rest of the business men and the bankers between them can be trusted to find whatever supplies of foreign capital Russia may need, as and when she can guarantee a remunerative and certain return on the deal.

Now we have the spectacle of a British delegation over in Russia not so many months ago arranging with the Russian authorities in a tentative way markets for British goods, and the Russians arranging with the British delegation for a corresponding market for their wheat. I think I have dwelt on this situation long enough to show the house how serious it is.

There is another phase of the British market which I think we should cultivate, and that is as an outlet for our pork and pork products. We have the capacity to produce a large amount of pork and pork products. The Commissioner of Agriculture in England, Mr. Wilson, was in Canada last fall to attend a conference at the Royal fair, at which the live stock men were invited into consultation with the Department of Agriculture. It is reported that he told the conference that Canadian bacon was second to none in the British markets, that it could compete very, very favourably with the Danish product, but

what the British purchasers objected to was that one week there would be an ample supply of Canadian bacon, while the next week possibly there would be none. What they wanted was a continuous flow of this product to the market. But how can we expect to get our bacon into the British market under the conditions which I have related? I might draw to the attention of the house two items to show how our trade in pork products with Great Britain has fallen off. In 1921—I have taken that year especially because it was in the post-war depression period—we exported to Great Britain $69,293,178 worth of pork products—ham and bacon; in 1929 we exported only $6,636,497 worth. If it becomes necessary for us to curtail our production in wheat we shall have to grow more coarse grains. The only way to market those coarse grains profitably is to do it "on foot," as we say at the farm; that is, the farmer feeds his grain to his live stock and markets it in that form.

I do not think I need go further into this particular aspect of the situation to show hon. members the great potentialities of our trade with Great Britain; but those potentialities have been so interfered with that, unless we take some drastic action in the very near future, we cannot expect Great Britain to buy any more farm products from us than she will be absolutely compelled to purchase. I do not know why the representations of Mr. Tattersall and Mr. Thomas were not more attentively listened to when they were over here. They did make a real effort to promote trade. Time will not permit me to relate any of the incidents which took place before the tariff board when Mr. Tattersall of the Manchester board of trade made his representations in connection with the 50 per cent British content clause. What are we going to do? Here we have the Canadian Pacific Railway losing $21,000,000 in one season because our western wheat did not move, and the Canadian National Railways have lost probably an equal amount of revenue. Then we have our steamships losing approximately $4,000,000 on the same account. How long can this situation continue without bringing disaster upon us? I say to this house that unless something is done very soon conditions will be a great deal worse a year from now than they are to-day.

Now, in order to place our ideas before the country and before this house, I beg leave to move the following subamendment to the amendment:

That all the words after "it is of opinion that" in the amendment, in the tenth line thereof, be struck out and the following substituted therefor:

[Mr. W. R. Fansher.]

the government having definitely adopted the principle of increased protection, modified only by certain extensions of the British preference, it is to be regretted that more effective consideration has not been given to the position of agriculture and labour, but that, on the contrary, the changes made in the iron and steel schedules will result in an increased cost in respect of all structural work and the machinery of production; and further, that the best interests of Canada would be served by a more substantial increase in the British preference, particularly as affecting textiles and other articles of a similar character, together with a modification or abandonment of the regulations requiring a 50 per cent empire content, which have largely nullified the effect of any preference given;

That a much larger proportion of our revenues should be provided for through direct taxation, more especially through the income tax;

We further wish to state our conviction that these and other changes in our fiscal policies are not of themselves a solution of our modern economic problems, but that effective encouragement should be given to the development of cooperative principles, having regard to production, distribution and the utilization and control of credit.

Mr. W. S. MURPHY (Lanark): Mr. Speaker, in rising to take part in the debate on the budget I am willing to admit that I do so with considerable trepidation. The subject is of such vast importance and can be approached from so many angles that one finds it difficult to decide just what questions to discuss.

Having been accustomed in the routine of daily life to devote my attention to the problems of health and disease, to seek the causes and effects of certain conditions that affect the health of my patients, I am forced to pursue a somewhat similar attitude in this debate. To-day I am to deal with a new patient—Canada—and try to ascertain whether or not the body politic is in a really healthy condition. Generally speaking, no one will deny that Canada has been enjoying a great measure of prosperity. The ship of state has been sailing on a kindly sea under very favourable trade winds, but of late certain conditions have arisen which portend a less favourable voyage. There are breakers ahead, and these breakers are to be found in our unfavourable trade balance for the past year, to the extent of some one hundred million dollars, in the general and widespread depression of business throughout the country, in the great amount of unemployment of our labouring classes, and in the slow and progressive atrophy of our basic industry, agriculture.

I have the honour, Mr. Speaker, to represent the good old county of Lanark, a county of vast and fertile acres, a county whose people are descendants of those early Scotch, Irish and English pioneers who inhabited the land

when it was a vast forest and hewed out homes for themselves under very trying conditions. This is a county that has endeavoured through years of toil and struggle to establish within its bounds important manufacturing industries, and last but not least a county which has given many of its sons and daughters to work for the general welfare of this great Dominion. I might remind you, sir, that our present capable and esteemed Minister of Agriculture (Mr. Motherwell) is a native son of that county.

At the outset I mentioned that Canada had been enjoying a fair degree of prosperity. I ask in all fairness, can that prosperity be due in any great degree to the policy of the present government? Can they take unto themselves credit for the bounteous crops with which Providence has blessed us? Can they assume the credit for having placed in that great precambrian shield those vast and untold mineral resources that are to-day undergoing such extensive development? Can they regard our great forest wealth as something of their production? And so I might proceed asking questions about the basis of our national wealth, and having done so I am forced to the conclusion that none of these things can be accredited to any act of this government. Wherein, then, does the function of government apply, so that this great heritage which has been handed down to us may be developed for the benefit of us Canadians? In answering this question we must analyse the various policies of the government in so far as they may assist in promoting or retarding the development of our natural resources and our industries. It is my intention to deal first of all with agriculture.

Agriculture has been called our great basic industry. In fact, for a great many years it was the chief source of our national wealth. However, during the past few years, and especially since the great world war, it has failed to keep pace with the march of our industrial development. Agriculture has apparently reached its peak and at the present time is on the decline in many of its branches I desire to quote the following figures to show what the real condition of this industry is and has been during the past few years. I have in my hand a tabulation which I shall ask to have placed on Hansard:

Canada's Production, Exportation and Importation of Raw Materials of Farm Origin

Description		Produced in Canada				Canada's Domestic Exports Calendar Years				Canada's Imports Calendar Years			
		1926	1927	1928	1929	1926	1927	1928	1929	1926	1927	1928	1929
Field Crops													
Wheat	bush.	407,136,000	479,665,000	566,726,000	299,520,000	250,116,400	255,062,200	365,428,600	210,945,600	130,400	155,800	110,900	1,792,400
Oats	"	383,416,000	439,712,700	452,153,000	282,838,300	18,571,600	6,269,900	16,037,000	7,681,500	1,794,000	2,571,000	3,028,700	3,419,800
Barley	"	99,987,100	96,938,000	136,391,400	102,313,300	34,727,400	32,180,700	36,773,900	16,987,700	16,100	24,400	2,200	154,900
Rye	"	12,178,900	14,950,600	14,617,700	13,160,500	6,137,580	9,950,200	9,937,600	1,938,300	4,600	62,400	103,300	25,500
Peas	"	2,635,000	2,794,900	2,588,300	1,979,800	210,300	173,800	106,900	57,900	40,200	44,735	54,100	189,400
Beans	"	1,159,500	1,037,300	1,170,500	1,491,300	38,200	13,600	146,800	154,100	403,500	635,500	301,400	220,900
Buckwheat	"	9,882,300	10,890,000	10,899,300	10,470,100	367,300	403,400	388,900	248,600	1,900	12,000	13,900	21,100
Corn	"	7,813,000	4,262,000	5,241,000	5,183,000	5,700	7,200	23,400	10,100	12,715,900	16,204,800	13,968,300	15,511,600
Potatoes	cwt.	46,937,000	46,458,000	50,195,000	39,930,000	4,901,400	4,612,200	3,785,400	4,287,100	279,900	302,300	424,700	713,500
Turnips, etc	"	34,235,000	37,248,000	43,623,000	36,228,000	925,500	1,074,200	1,460,600	1,365,800	.....	.....	.....	.....
Hay (including clover and alfalfa)	ton	16,119,300	19,527,300	18,524,500	17,668,000	428,100	192,400	139,200	143,900	5,600	7,100	6,900	4,500
Sugar beets	"	525,000	391,000	433,000	364,000	61,750	54,000	43,800	42,800	.....	.....	.....	.....
Apples, green	brl.	2,954,370	2,810,600	3,235,970	3,702,370	1,192,700	967,500	992,300	1,554,900	181,800	210,300	211,200	146,800
Seeds—													
Clover—Alsike	lb.	9,080,000	9,500,000	10,018,000	.....	8,164,100	9,415,400	9,752,600	9,241,200				†522,600
" —Alfalfa	"	8,160,000	1,900,000	610,000	.....	4,525,600	3,663,400	250,600	112,800	*2,173,700	*2,307,500	*2,122,000	316,500
" —Red	"	1,138,500	1,250,000	1,500,000	.....	484,300	169,300	32,900	45,100				1,298,000
Flaxseed	bush.	5,994,700	4,884,600	3,614,000	2,060,400	2,653,400	2,184,900	2,950,000	850,500	809,900	354,300	299,700	1,374,300
Tobacco	lb.	28,824,000	43,916,700	41,976,375	29,786,100	5,050,100	5,867,479	6,199,900	7,244,000	16,100,300	18,678,700	17,943,100	17,717,600
Animal Products													
Butter	lb.	272,209,287	271,978,947	260,352,955	.....	9,814,000	2,696,000	1,994,800	1,400,400	9,151,900	11,208,800	16,801,600	35,928,200
Cheese	"	171,731,631	138,556,708	143,689,794	.....	134,656,600	110,533,000	114,152,500	92,946,100	1,218,600	1,720,800	1,778,800	2,103,700
Condensed milk and milk powder	"	95,255,252	106,117,067	103,988,445	.....	41,249,500	40,209,100	32,006,800	31,982,300	151,800	125,100	137,300	178,900
Beef	"	361,831,070	711,035,535	694,879,130	704,243,320	27,233,800	56,741,800	47,136,700	31,230,800	325,027	249,900	2,519,100	5,235,400
Pork	"	111,396,786	847,025,882	834,986,838	816,096,436	109,983,400	82,581,700	52,354,100	38,957,400	16,062,301	10,706,600	13,975,100	21,506,300
Mutton and lamb	"	24,387,083	58,134,880	61,232,280	66,774,280	1,274,000	1,889,200	1,127,800	573,300	1,672,900	1,946,000	2,332,571	4,401,300
Wool	"	17,959,896	18,672,766	19,611,430	21,234,000	4,388,500	11,356,800	8,350,800	6,089,800	15,362,900	14,353,800	14,271,200	12,086,000
Eggs	doz.	237,080,399	278,277,227	268,456,053	272,030,484	1,776,600	448,200	988,500	1,147,829	3,560,400	3,226,600	996,900	713,300

(a) Production—Crop Years ended July 31. (b) Importation and Exportation—Calendar Years. *Clover seed. †Other clover seed.

In studying these figures we can readily see that there has been a general decline in production not only in field crops but in animal products. In so far as field crops are concerned we cannot lay the blame on the government. Undoubtedly climatic conditions accounted mostly for the decline, and unfortunately for Canada and the farmer in particular the decline has been costly. The total value of field crops in 1927 was $1,173,133,600; in 1928, $1,125,003,000; in 1929, $979,750,400, or a decline of $193,383,200 in 1929 as compared with 1927. But it is in analyzing the figures of exports and imports, especially in animal products, that we find reason for alarm. Our exports of cheese have fallen in the four years from 134,000,000 pounds to 92,000,000 pounds and our imports have increased from 1,218,600 pounds to 2,103,700 pounds. Our exports of butter have fallen from 9,814,000 pounds to 1,400,400 pounds; and our imports have increased from 9,151,900 pounds to 35,928,200 pounds, a very alarming increase indeed. Surely something must have caused this tremendous slump in our great dairy industry, and upon investigation we find the cause to be the order in council by which New Zealand was permitted to export butter into Canada at one cent a pound duty. It has been argued that the people of Canada are eating more butter per capita. The figures on which this argument is based are mostly estimates, as there are no definite figures for dairy butter production. However, we know for a fact that in a great many counties there is also a marked decrease in the production of dairy butter. The bare fact remains that Canada, since the inception of the New Zealand order in council, has ceased to be a large exporter of butter, has not been able to supply her own requirements and has become an importing country. In view of this analysis, we must lay blame on the government. The present administration by that one act has adversely affected and retarded the great dairy industry of Canada. Our exports of condensed milk and milk powder have declined from 41,249,500 pounds in 1926 to 31,982,300—a decrease of almost 10,000,000 pounds. Worst of all, however, these declines are associated with and dependent upon a decrease in the source of supply, the milch cows, to an extent of over 100,000. Surely no further proof is necessary to show that so far as Canada is concerned the dairy industry is in an unhealthy condition.

Coming next to beef, we find in the matter of export a decline of 25,000,000 pounds in 1929 as compared with 1927; a decline of 16,000,000 pounds as compared with 1928, and at the same time an increase in our imports of 5,000,000 pounds in 1929 over 1927 and 2,250,000 pounds over 1928.

In the matter of pork exports, we find also very large declines in 1929 as compared with the years 1926, 1927 and 1928; we find a decline of 71,000,000 pounds in 1929 as compared with 1926, a decline of 44,000,000 pounds as compared with 1927 and a decline of 14,000,000 pounds as compared with 1928. Surely the exports of pork in these years have been on the toboggan and going down at a rapid rate. These declines are serious enough in themselves but when we find that our imports have risen to 21,000,000 pounds in 1929, an increase of 8,000,000 over 1928, we surely must be forced again to conclude that our pork industry is in a very unhealthy condition.

Taking all in all, these increases of imports and decreases of exports mean the loss to Canada, and to agriculture in particular, of many millions of dollars. It will be argued by members of the government that the home market has been consuming much more of all these products, and they will base their arguments upon the figures of production as given by the Bureau of Statistics, but again I question the accuracy of these estimated figures. The population of Canada has not increased sufficiently during the period under review to account for such great differences in the exports of these agricultural products. Are we to believe that the Canadian people have become so gluttonous that they are consuming the quantities that would be indicated by the above argument?

I for one cannot believe that we have become a nation of gluttons; I prefer to believe that the estimated figures of production are far too high, and I must conclude, Mr. Speaker, that our great basic industry, agriculture, is on the decline and in a very unhealthy condition. This conclusion apparently is shared to some extent by the Department of Agriculture, because at the present time frantic efforts are being made to bring about an increase in the production of agricultural products. At the Royal Winter Fair held in Toronto a few months ago the Minister of Agriculture urged upon the provincial ministers the necessity of bringing about an increase in all agricultural products. Basing my conclusions in so far as agriculture are concerned upon the facts elicited in the foregoing review, I again assert that our great basic industry has reached its peak and is assuming a condition of premature senile decay.

Just here I might refer to our National Research Council, which during the past few years has been making considerable advances. What is the use of that department continuing to pursue its researches if at the same time the government negotiates trade treaties with countries throughout the world which have a tendency to ruin and destroy these industries? That has been the case during the past three or four years.

Referring now, Mr. Speaker, to the budget presented by the Minister of Finance, we are glad to note that he has seen fit to adjust the duty on butter, and that he intends to negotiate a new treaty with New Zealand. He has harkened to the protestations of the dairy industry and of the opposition and has admitted that for the past four years the government, through its trade agreements, has been sacrificing the interests of the farmers, and particularly of the dairymen, upon the altar of inadequate protection. Suddenly he has been converted. Whether that conversion has been due to the protests of the Conservative party or whether it has come about because he wished to appease the wrath of the great dairying industry with a view to securing the support of those engaged in this work when the government appeals to the people, is a question which remains to be answered. At any rate the minister has been converted and, Mr. Speaker, what a conversion it has been! The annals of history will record it as comparable to that of Saul of Tarsus. What agony of mind and soul there must have been on that occasion; cold beads of perspiration must have stood forth on his brow as he heard those challenging words, Repent; repent ye, for the judgment is at hand. Truly, Mr. Speaker, it is a deathbed repentance, but one that will not deceive the thousands of farmers throughout this country who for the past four years have suffered from unfair competition for which this government alone is responsible. I congratulate the minister on at last having seen the light, but I cannot say that my prayers will go with him on the day of judgment.

I should like to refer to the agricultural implement industry, but I have not time to deal with that question more than to make a passing reference. In the budget brought down by the minister it is provided that agricultural implements from the United Kingdom are to be on the free list. This is just one more attempt to deceive the public mind. The importation of agricultural implements from the United Kingdom during 1929 amounted to only about $142,000, while the total importation of agricultural implements into Canada from the United States amounted to over $40,000,000. This is simply another of those very fine gestures made by the Minister of Finance in order to deceive the people of this country and particularly the farmers of the western provinces.

Yesterday I had the opportunity of consulting with one of the manufacturers of agricultural implements, and I asked him what effect this budget would have upon the industry in this country. He said that as far as the change in duty was concerned it would have absolutely no effect, because in the United Kingdom they do not manufacture implements which are required by the farmers of this country. I am sorry I cannot go into this matter more fully, but I just mention this one point in passing.

Now I wish to deal with the woollen industry. In going over the tariff schedules brought down by the Minister of Finance I notice there is not one reference to any textile item, which seems rather strange after the tariff board went to the trouble of holding a hearing in this connection lasting two weeks, the proceedings of which have been printed in two very large volumes. Representatives of the different industries presented their case and, I think presented it very fairly. Just here I should like to refer to a statement made by the Minister of Finance in delivering his budget address. He said:

> Might I submit that were the capacity of our productive units greater than the normal non-speculative demand for our products, there would be cause for alarm, but such is not the case.

This is the test which is submitted by the minister, and during the course of my argument I will show that this applies very forcibly to this great textile industry. Our home consumption is supplied by our Canadian production to the extent of only from 23 to 30 per cent, while the mills in this country are capable of supplying from 50 per cent to 100 per cent of our home consumption, so I think the test submitted by the minister is met fairly well. The woollen manufacturing industry was one of the earliest of the industrial occupations to be established in Canada and developed as an essential and basic form of production. It has passed through many stages of development from the small carding and fulling mills to the fully equipped manufacturing plants of to-day. By the year 1885 there were 107 complete cloth manufacturing

establishments in operation in, Canada, distributed among the provinces as follows:

Ontario	76
Quebec	18
New Brunswick	1
Nova Scotia	10
Prince Edward Island	2

The industry was established in over 100 towns and villages in eastern Canada, and reached the peak of its development about 1900. It must be admitted that some of the mills were small and uneconomic producers, but on the other hand about 100 of the mills in operation at that time were equal to the average mill in England or elsewhere. The fact remains that since that date the industry has failed to expand and develop with the general development of Canada. As a matter of fact it has declined, the estimated drop in the production of cloth being 50 per cent, with the accompanying loss of wages and slowing up of the economic growth of Canada.

The cloth industry was sacrificed by the enactment of the British preferential tariff in 1898, and subsequent revisions. Many mills were forced to close entirely, so that in 1910 there were only 78 woollen and worsted mills in the dominion with 224 sets of cards. By 1926 there were in operation 116 plants, of which 54 manufactured cloth, 17 manufactured yarns, 17 manufactured carpets and rugs, and 28 manufactured miscellaneous woollen goods. In 1901, when the population of Canada was about 5,000,000, the Canadian mills consumed 18,100,000 pounds of raw wool; in 1926, when the population was approximately 9,000,000, they consumed 22,300,000 pounds. In 1929 there was retained in Canada 27,230,245 pounds, a considerable quantity of which is still in store. The figures of production, exports and imports of raw wool are given by the Dominion Bureau of Statistics for the years 1927, 1928 and 1929. They are as follows:

	Pounds	Value
Production—		
1927	18,672,766	$4,108,000
1928	19,611,430	5,099,000
1929	21,234,000	4,247,000
Imports—		
1927	14,353,784	4,942,807
1928	14,271,154	5,797,533
1929	12,086,070	5,126,915
Exports—		
1927	11,356,848	3,133,095
1928	8,350,855	2,973,433
1929	6,089,825	1,670,576

From these figures it would seem that for the past three years the number of sheep in Canada has increased with a corresponding increase in the quantity of wool produced, but the figures for the year 1920 show that the wool clip amounted to 24,000,000 pounds valued at $5,280,000. Requests have recently been made by certain sections of the wool growing industry for assistance in preserving the home market through the restoration of the duties or worsted yarns which were removed two years ago. There is a diversity of opinion as to the suitability of our home grown wools for the manufacture of fine yarns. Undoubtedly Canada can produce practically any breed of sheep, and the Department of Agriculture might serve a very useful purpose in this respect. Wool grading has been inaugurated by that department, and in 1928, 3,452,761 pounds of wool were graded. The department reports that the clip was of particularly fine quality and that it attracted the attention not only of Canadian buyers but of buyers from the United States and continental countries.

From this it would appear that Canada can produce wool of the finest quality. What must be done if this government is desirous of stimulating and supporting the sheep raising and wool industry of Canada? What is the government going to do for the farmer who raises sheep in the hope of finding a market in Canada? Is the sheep farmer to be sacrificed along with the dairy farmer upon the altar of free trade and a non-protective tariff? If the government is to assist the wool producer it is quite evident that more of the woollen goods now used and imported into this country must be manufactured at home. It is estimated that 70,000,000 pounds of wool would be required to supply the yarns for all the woollen goods consumed in Canada, and yet, with a production of only some 20,000,000 pounds per year, the wool producer finds that his home market has been destroyed by the tariff policy of this government. The time has come—in fact it is long since past—for a revision of the tariff policy with respect to the woollen industry. More protection must be afforded if this once great and basic industry is to survive and prosper. Such a revision would aid the farmer and the sheep rancher; it would stimulate immediately the woollen manufacturing industry, and would furnish employment for thousands of male and female labourers who have been thrown out of work and forced to seek employment in the great republic to the south. It would make the machinery hum in mills which are now idle, and would restore the life blood to many small towns and cities which were once the homes of prosperous industries.

In considering the cloth industry, it is necessary to distinguish between those factories which manufacture woollen goods, such as

tweeds, overcoatings, blankets and yarns, from those manufacturing worsted goods. The cloth industry has suffered most from importations. In 1925 the total consumption of cloth in Canada amounted to $36,014,287, of which $11,653,477 or 32 per cent was of Canadian manufacture. In 1927 the total consumption amounted to $39,659,338, of which $11,504,654 or 28 per cent was of Canadian manufacture. These figures show that the Canadian mills supplied in 1925 only 32 per cent of the needs of the Canadian market, and in 1927, only 28 per cent. This indicates a very serious condition, especially when it is considered that these mills are capable of supplying about nineteen to twenty million dollars' worth of goods, working eight hours a day for 304 days in the year. In other words, if they supplied only one half the needs of the Canadian market their employees would have received full time employment. It will be asked why the Canadian mills were not able to supply that quantity which would give their employees full time employment. The answer is that the laid-down cost of imported cloths is somewhat less than the price at which similar goods can be produced in Canada and sold under present market conditions. This difference is due to the lower costs of production of the imported cloths, and not because our Canadian mills are not properly equipped and operated.

The difference in costs of manufacturing in Canada and the United Kingdom is made up as follows:

1. Difference of rates of wages in direct labour, indirect labour and fixed charges; the latter due to: (a) lower wages paid in manufacturing mill supplies, doing mill and machinery repairs, erecting mill buildings and operating rail transport; (b) better construction of buildings in Canada to stand the climate—heating, et cetera; (c) duty paid in Canada on machinery and repair parts when imported, and sales tax paid on duty paid value; (d) sales tax paid in Canada on building materials.

2. Present conditions prevent the standardization of product which prevails in England and Scotland.

The wages paid in Canada to mill employees are about two to two and a half times as much as the wages paid in the United Kingdom, and about six times as much as the wages paid in Japan. A deplorable condition exists in this great basic Canadian industry. Does the government desire to help or is it its intention to retard and ultimately destroy the woollen cloth industry? Is this industry to be forced to reduce its wage scale to that paid in the United Kingdom in order to remain in business? Such a reduction would be impossible in Ontario as far as female labour is concerned on account of the minimum wage laws. Surely this government does not desire to reduce the standard of living of mill employees.

In 1885 this industry had 107 mills in operation, while in 1926 there were only 41 mills still in production. Those 41 mills had a capital investment of $17,548,074; they employed 3,843 people and paid out in wages a total of $3,395,827. What is to be done? What are the mills asking for in order that they may survive? They have not asked for the abolition of the British preferential tariff, but they ask that the rates be so revised that they may obtain a more reasonable share of the Canadian trade.

At the outset I said that we must distinguish between woollen and worsted cloths. Because of the abolition of the duties on worsted yarns, the worsted cloth industry has been benefited temporarily, whereas the woollen cloth industry is left to bear the burden of increasing importations. Woollen cloth mills have not benefited by reason of the revision because of the difficulty in securing the adequate and satisfactory supply of woollen spun yarns necessary for cloth weaving purposes. There is nothing like the degree of standardization in either yarns or fabrics in the woollen cloth industry that there is in the worsted industry. In fact, it is practically impossible for a woollen cloth mill to operate successfully without its own preparatory carding and spinning equipment, which constitutes about 60 per cent of the investment in the mill.

Conditions in 1925 and 1926 were bad enough, but they are even worse to-day. Many mills have been forced to close down, while others are operating on part time with a decreased number of employees. The increased importation of low grade shoddy woollens from the United Kingdom and Europe is slowly but surely strangling the industry. If our woollen mills are to survive, something must be done to prevent these heavy importations.

Both the woollen and worsted cloth industries require yarns made from the raw product—wool. While the worsted cloth industry may temporarily benefit from the free importation of worsted yarns, it tends to destroy the demand in this country for raw wool, thereby striking a serious blow at the sheep growing industry. Surely this deserves consideration at the hands of this or any other government. As I have said before, the woollen cloth mills must manufacture their own yarns if they are to produce the various kind of woollen cloths.

Now let us consider what is happening in the yarn branch of the industry. The Canadian consumption of yarns in 1925 amounted to $5,812,501, of which the Canadian production was $2,500,000. In 1926 the total Canadian market for yarns was $7,043,325, of which the Canadian mills produced $3,505,077 worth. This is divided as follows:

	Canadian production	Imports
Dry spun.. .. .	$837,678	$2,250,000

Or only 23 per cent was of Canadian production.

Oil spun.. .. .	2,667,399	1,288,248

It will be observed that Canadian mills produced only 23 per cent of the total consumption in Canada of dry spun yarns. Why is this? It is because these yarns have a duty of only one-tenth of one per cent on account of the drawback of 99 per cent.

When one considers that the estimated capacity of the Canadian mills was 80 per cent greater than their production during that period, it is readily appreciated that they were operating under very adverse conditions. Those conditions grew worse in 1927, 1928 and 1929. The importation of yarns in the last two of those years is as follows:

Fiscal year—	Importation of yarns
1927-28..	$4,356,000
1928-29..	5,790,000

I therefore submit that if the wool growing branch of agriculture is to survive the small market for it, it must receive protection through yarn producing and cloth producing industries. The Canadian Woollen and Knit Goods Manufacturers' Association have asked that the drawback of 99 per cent be removed.

I would like to refer shortly to the manufacture of woollen blankets. The figures are as follows:

	Canadian Production
1925 (Dec.)..	$1,281,922
1927 (March)..	1,492,774
	Imports
1925 (Dec.)..	611,709
1927 (March)	631,154

The bulk of Canadian production is made up of grey and fancy colour all-wool blankets. In 1927, Canadian mills manufactured about $275,000 worth, or about 33 per cent, of the Canadian consumption of white blankets, a staple commodity. The great bulk of the imports is in the staple white wool blankets. They are imported chiefly by wholesale, mail order and departmental stores and constitute the great bulk of this business at prices below those which the Canadian mills can quote, in most instances below the cost of production in Canada, without any difference in quality. The grey and coloured business is comparatively small on separate lines and is very competitive between Canadian firms. Why, it may be asked, can the Canadian mills not get the white blanket business? Simply because the costs of production are higher in Canada on account of higher wages, et cetera, and therefore Canadian mills are entitled to more protection if this industry is to survive against foreign competition.

I have arguments to show that by increasing the tariff protection on these various lines we would not increase the price to the consumer. That has been the experience in Australia where the preferential duties were raised in order to protect their own industry, and in fact the price to the consumer was lower in a majority of instances. Unfortunately, however, I have not time to go into this.

In my constituency the woollen industry was once in a thriving condition, but owing to the tariff tinkering of the present administration some of the mills have been forced to close down, while others are working only part time. Many female and male employees have been thrown out of employment. Houses that were once the homes of contented and happy families have been deserted and are now unoccupied. This basic industry is on the decline and it will continue to decline unless the government revises its tariff policy. Therefore I appeal to the government so to revise the tariff schedules of the woollen industry that these mills may once again become the abode of a prosperous and healthy industry.

Prosperity is in the pay envelope. The pay envelope contains both demand and consumption. The wealth of a nation will depend upon the extent to which it can provide productive employment for its own people. The creation of wealth or prosperity in its broader sense is the application of labour to raw material. In Canada we possess great natural resources, the development of which is but in its infancy. To turn these into national wealth we must make use of the following classes of labour:

(a) Men engaged in industry.
(b) Women engaged in industry.
(c) Men engaged in agriculture.

The whole economic and fiscal policy of the government should be directed toward the employment of as many as possible in these three groups. How can we do this in so far

as industry is concerned? In 1929 the statistics in regard to Canadian industry show:

Nimber of factories..	22,936
Number of employees..	618,943
Salaries and wages..	$ 693,932,228
Value of products..	$3,425,498,540

With a capital investment of many millions of dollars. If we assume that each industrial worker has an average of three or four dependents, it would seem that about one-quarter of our population is dependent at the present time upon the operation of our factories. Do these figures not impress upon the house the necessity of such legislation by the government as will ensure the development of our great natural resources and the manufacture into finished products of those materials wherewith God hath blessed us in order that our people may reap the benefit of those material blessings? Do they not compel us to realize that it is as necessary to preserve the home market for our manufactured products as it is to develop these resources if we are to provide employment for our people and to encourage the settlement of our vast unoccupied territory by a suitable type of immigrant? To my mind an up-to-date national development policy must be put into effect if we are to stem the steadily growing volume of imports, mostly of manufactured articles, and at the same time increase the volume of Canadian-made products, thereby increasing the prosperity of our country and the happiness of our people. An examination of exports and imports of the past three and four years shows the trend toward an unfavourable balance of trade, a trend that has resulted during the past fiscal year in an unfavourable balance of about $100,000,000.

Surely, Mr. Speaker, the present fiscal policy must be revised with a view to safeguarding Canadian industry and protecting our industrial workers. How can we do this in so far as the third group is concerned? It can be done only by preserving as far as possible the great home market for our agricultural products, thereby encouraging an increase in production and, secondly, by finding an export market for our surplus production. For many years Canada has been a great exporting country of agricultural products but of late it would seem that many of our export markets have been gradually lost. I wish to insert here a newspaper clipping entitled A Vanishing Trade—I have not time to read it:

A month ago, or thereabouts, Mr. Harrison Watson, Canadian trade commissioner in London, reported to the Department of Trade and Commerce that British trade returns for 1929 were "almost without exception disappointing from a Canadian point of view, because they show a considerable, and in some cases progressive, reduction in the quantities of practically every food product which Canada supplies to the United Kingdom." Mr. Watson took due account of "the heavy falling-off in shipments of wheat and other grains, which altogether accounts for no less than $43,500,000," but he added: "A more disquieting feature is the extension of a corresponding decline to practically all the other leading food products which have been forming Canada's staple exports to Great Britain, although in most cases total imports show an increase." Shrinkages in volume in some of the more important lines were given by the commissioner, as follows: flour, 23.7 per cent; bacon, 35.0 per cent; hams, 14.9 per cent; cheese, 21.3 per cent; canned salmon, 9.3 per cent. Mr. Watson then drew attention to the fact that "the export trade in live cattle, of which so much was expected a few years ago, completely disappeared in 1929, when not a single animal was shipped to this country."

What is the reason for this? Is it because our products are of an inferior grade and cannot compete with other world products? I would hate to believe this. In fact, we are told that we produce cheese of a superior quality, butter inferior to none, bacon that ranks equally with that of any country and cereals which lead the world in quality. Lack of quality of our products cannot therefore be a reason.

Is it due to lack of proper marketing facilities or to poor trade relationships with other countries? If this is the cause, then our government is to a great degree responsible for the decline. We have within the confines of the United Kingdom, to my mind, the greatest potential market for our agricultural products. In those small islands there are 40,000,000 people who must be fed. They can produce within their borders only sufficient to take care of six weeks' demand; for the remaining forty-six weeks of every year they must obtain from beyond the seas the necessities of life. This is an opportunity to develop once and for all a permanent market. I fear that our government in Canada have not been paying sufficient attention to this great outlet. They have been spending too much time hobnobbing with the great republic to the south of us. They have dwelt too long upon those friendly relations which have existed for the past 100 years, relations which are most desirable and commendable, but which with regard to business and trade have always been very much in our great neighbour's favour. We need not expect many great concessions from a country which has builded soundly and wisely upon the policy of preserving the home market for its own people. Instead of copying them in matters of coinage, for instance, the five-cent nickel;

instead of wasting time and effort in passing legislation to assist them in the enforcement of their prohibitory laws; instead of reducing our tariff so that the markets of Canada would be flooded with goods from the United States and thousands of our Canadian citizens forced into unemployment or to seek work under an alien flag—instead of all these things our government should have been directing their efforts to bringing about better trade relations with their best customer, the United Kingdom. I am a firm believer in the promotion and development of intra-imperial trade. It should be possible so to adjust our fiscal policy that many of the products which we have been purchasing from the United States would be purchased within the empire, while at the same time practically all of our surplus agricultural products would be exported to that greatest of potential markets, the United Kingdom.

History tells us that the markets for our agricultural products in the United States are never of a permanent nature. They have in the past been suddenly disrupted by changes in their tariff policy. If the Hawley-Smoot tariff becomes law, Canada will once again receive a slap in the face that will cause considerable concern among our farmers. Why should we not profit by past experience? Why should we, when practically all countries are increasing their tariff walls, continue to delude ourselves with low tariff and free trade theories? Are we to become the dumping ground for the produce of other countries? We must realize that self-preservation is the first law of nature. We must through increase of tariffs provide Canadian farmers, manufacturers and workmen with adequate protection. In this connection I desire to refer to a speech of the Hon. Mr. Baldwin, speaking in the British House of Commons. Mr. Baldwin is reported as follows:

> The Conservative leader, in almost a detached tone, traced the free trade tendencies of the Laborites, to the fact that "when the Labour party was young" its leaders were imbued with mid-Victorian Liberalism of the Manchester school. Times, however, had changed, remarked Mr. Baldwin, and the whole tendency of the world was now towards higher tariffs. The depressed industries of Britain needed the stimulus of tariffs and moreover, unless some scheme could be constructed, aiming at the economic unity of the empire, "the gossamer threads now binding us together must break in time and with their breaking there will go all hope of the world for peace and for progress.
>
> "I am unable," declared Mr. Baldwin, "to see any way of approaching the attainment of economic unity save by the utilization of tariffs. Certain of the dominions are going to industrialize themselves as soon as possible Canada will do it, probably, faster than the others and she will soon be one of the greatest countries of the world."

I wish to refer to a statement of the Prime Minister (Mr. Mackenzie King) in the course of a debate on unemployment. He said as reported on page 1228 of Hansard of this session:

> What is needed in Canada to-day, if we are to solve any unemployment problem to the extent that it may exist, is to get more capital into the country, to increase the investment of capital; and we will get it as people come to have confidence in conditions here.

I may say that I quite agree with the opinion expressed, but I am not inclined to agree that in certain lines of industry we are likely to have much capital invested if the government is to continue to invite foreign competition by its tariff policy. Tinkering with the tariff will never establish confidence. In fact, it tends to create doubt and fear—attitudes of mind absolutely antagonistic to progress and development. Capital will only be invested in industry when conditions, including the tariff, are such as to make the capitalist feel that he is reasonably assured that his investment will be profitable.

Competition in industry of all kinds is very keen throughout the world. Many factors enter into the equation of investment in industry on the one side, and success on the other. These factors go to make up the cost of production. In this category we must place the wage of the employee, and we are quite aware that the standard of wages in this country is much higher than in many foreign countries. Other factors being equal the very fact that wages are higher in Canada than in European and Asiatic countries makes us realize that Canadian labour is brought into direct competition with cheap foreign labour. It is not so much a question of industry being in competition as it is of labour. Would we wish to see the standard of living of our Canadian workmen reduced? I think not. We pride ourselves on that superior standard, and it is a just and righteous pride.

The Prime Minister also says on page 1233:

> Bring into competition a lower standard with a higher standard and sooner or later the lower standard will drive the higher standard out of existence altogether.

That is the very condition which this government has been gradually bringing about by its fiscal policy. The lower standards of European countries are in daily competition with our higher standards. The Prime Minister would have us raise the fallen—a very noble and altruistic sentiment. But sentiment does not count for much in the hard-hearted world of practical business. How can a young and growing child hope to try his strength with a mature and developed

adult. He may be courageous; he may be brave; he may be imbued with noble and lofty sentiments, but not having maturity and strength he must fail in the contest. And thus, Mr. Speaker, young Canada must fail unless assistance is provided to make the contest equal. Our growing industrial fabric requires support and assistance to overcome that inequality of conditions brought about by lower foreign standards, and that assistance can only be rendered in so far as the government is concerned in a sympathetic and protective fiscal policy. That does not necessarily mean that the tariff should be raised so high as to eliminate fair and equal competition, but it should be sufficient to counterbalance the differences that exist as a result of those lower standards. I have no fear for Canadians when they engage in a fair contest. The history of our country will furnish sufficient evidence on that count. Let us then be fair to Canada. Let us have a policy that gives Canadian workmen and Canadian industry an equal chance in this great world struggle. Let us, where there is any doubt, give Canada the benefit of the doubt and establish once and for all time that confidence so necessary for the progress and development of our country.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, I flatly deny the right of the hon. member for Vancouver Centre (Mr. Stevens), to teach a lesson in administration to whomsoever it may be, and particularly to the present government. The hon. member would have been better advised to have kept his eye on the administration of a certain company which, thanks to a memorable bankruptcy, lost thousands of dollars of the Canadian people's savings. The effects of the bankruptcy of this company, of which the hon. member was the financial sponsor, was felt as far as the county of Laval-Two Mountains. I well know that this wretched infant, dressed in all its finery and displaying its seductive charms, won over the heart of one of my constituents. I also recall that this person after having had golden dreams, awoke one morning facing the sad reality: he had lost everything. I shall not say anything further with reference to the hon. member for Vancouver Centre, but quote to him the proverb always true: "Doctor heal thyself."

"It is a great satisfaction for any Canadian" wrote Mr. Beatty in "L'Illustration économique et financière" "to be able to record that Canada after 10 years of peace, has assumed a new and greatly strengthened position in the world of finance."

Indeed, we have but to glance over the budget as brought down on May 1, by the hon. Minister of Finance (Mr. Dunning) to find out the whole truth of this statement. A decrease, within five years, of $257,800,000 in the national debt; a reduction in taxation of nearly $100,000,000 for the years 1926, 1927, 1928 and 1929, alone; a diminution of the sales tax equal to $22,000,000 in the savings of the Canadian ratepayer, for the present fiscal year; a favourable balance of $44,507,000 and a reduction of $80,000,000 in Canada's debt this year.

These sir, are the great outlines of the excellent work of this government.

Was it not Sir Thomas White, ex-Minister of Finance in a Conservative government who, a few days ago, put this country in the seventh place among the nations of the world? Was it not the same, well-informed financier who, in a generous display of sincerity, acknowledged openly his admiration for the present administration? I now wonder what Sir Thomas White will think of the speech delivered by the hon. leader of the opposition? I also wonder what will be the effect of the speech of the leader of the opposition on the ultra imperialists, and they are numerous in the party led by my hon. friend. Answering a question put by the right hon. Prime Minister (Mr. Mackenzie King), the leader of the opposition said: "I am for the British Empire next to Canada." Will my hon. friend repeat these words, in all circumstances, at all times and everywhere in Canada?

I well recall his last touring of the province of Quebec. I also remember that the hon. leader of the opposition, during the summer of 1928, succeeded in gathering the fabulous number of 1,500 people about ten miles from Montreal, at Laprairie, in the riding of my hon. friend, the member for Laprairie Napierville (Mr. Dupuis); but I especially recall the words uttered at Waterloo by the hon. leader of the opposition, when he said: French Canadians who hear me, remember that back of your threatened liberties, back of your minority rights, rises this mighty power which we call the British Empire.

Either the leader of the opposition was sincere or he uttered what he did not wish to say. If he is sincere, it is a case of bringing out the old proverb: "How you have changed Agnel." If he was the victim of a "lapsus linguae" he should ask that corrections be made or else retract. Otherwise, I well know

that the honourable members for Wellington South (Mr. Guthrie), for Fort William (Mr. Manion) and the whole advanced guard of the proud Sicambrian will exclaim: "bow down, worship what you have burned and burn what you have worshipped!"

"To me," writes the president of the Canadian Pacific Railway, "it is unthinkable that Canada should ever be anything but an integral part of the British Empire.

Many years ago, the late Cecil Rhodes of South Africa, whose vision was indisputable, ran an eloquent finger across a map on which was shown Great Britain and its dominions, with South Africa at one base of the arch and Australia and New Zealand at the other, and he pointed to Canada as the keystone of that arch. That, gentleman, is a position which some Canadians, possessing more than ordinary vision, conceive to be its position in the future, a position of economic and political prominence among the nations which form the British Empire. I could not, indeed, speak eloquently of our national policy even if it were advisable to do so, however, I must confess that there is something in the picture of a strong interdependent British Empire, with its traditional standards in public life, in finance and in commerce; with its regard for justice, for law and order, that carries a certainty of increasing power and influence.

Permit me, sir, to set side by side the masterful statement of this eminent business man and financier, with the magnificent stand taken by the hon. Minister of Finance. Through his budget, he has eloquently proclaimed our proud trade position throughout the world. Can we do otherwise than keep up our excellent economic relations with the countries which are sympathetic to us? Have we any other attitude to take than to treat in a friendly way the nations which are well disposed towards Canada?

What did the Conservative government do from 1911 to 1921, in order to improve the lot of the farming class? Did it ever amend the tariff so as to protect this basic industry? No, never. It does not behoove them now to complain. We have seen them at work. The Canadian people were the victims of their squandering policy. Prolific in election promises, doctrinaire in matters of tariff; lavish, extravagant, diligent in emptying the public treasury; past masters in taunts, while remaining sycophants of the masses; demolishers of the splendid national spirit which Sir Wilfrid Laurier and his government had set up; parasites trying to disparage—to their advantage—the favourable comments which have given rise, from the Atlantic to the Pacific, the first budget of the Hon. Charles Dunning; craving for power and changing their attitude from day to day on economic questions of the utmost importance; time servers, propagandists of electioneering literature where too often the facts and truth are defaced, they desire but one thing: live again in abundance to their hearts content, thus bringing joy to their favourites, but misfortune to the Canadian people.

The right hon. Prime Minister has just announced an appeal will be made to the people. We have known for a long time the tactics of our opponents. We are aware of the kind of struggle we shall have to face. We have no fear, knowing that the Canadian people will judge the government and its supporters, in the light of facts, healthy development and wonderful progress in trade, finance and thriftiness for which the King government is responsible. We have no fear, fully knowing that the budget of May 1, 1930, will meet the exigencies of all classes in the community. Furthermore, when our fiscal policy is dealt with and revised it will turn out to the advantage of the Canadian ratepayer.

Following up my remarks, I wish to draw the attention of the house to the tariff which deals with fruits and vegetables. On behalf of the truck gardeners of the riding of Laval-Two Mountains, I want to warmly congratulate the Minister of Finance for having so generously responded to the just claims of our good truck gardeners. From the very outset of my career in the parliament of Canada, I drew the attention of the government on this all important problem. I put forth the complaints which reached me.

In January, 1929, I had the privilege of meeting the truck-gardeners of the province of Quebec at a congress held in Montreal. They exposed to me their needs. At the beginning of the 1929 session, I moved a resolution asking this hon. house to enact a seasonable tariff. In taking this stand, I conformed with the views of the truck-gardeners. This seasonable tariff was to be applied only during certain months of the year. On the suggestion of the late Hon. James Robb the tariff commission inquired into the claims of fruit and vegetable growers. The distinguished economists who are on this commission declared the claims of the truck-gardeners to be well founded. They gave proof of an admirable spirit of fairness. So much so that the government through its finance minister grants not only what we had requested but further gives the truck-gardeners the greatest possible assistance, fairplay and

protection. A countervailing tariff on all American vegetables coming into this country; combined tariff, ad valorem and specific, on the same products. To avoid any controversy on the subject, I shall quote verbatim that part of the budget which deals with the tariff on fruits and vegetables:

In revising the customs tariff on fruits and vegetables the government has given serious consideration of the representations of growers and consumers, as presented on several occasions before the Tariff Advisory Board. The irregular nature of the severe competition which Canadian producers frequently face from the earlier-maturing crops of other countries has been weighed in the light of various suggested remedies, most of which were found to have inherent defects, a fact long since recognized by the growers themselves. Seasonal tariffs, for instance, are not applicable to a country such as Canada, with its extremes of distance, latitude and climate.

After careful study of the situation from all angles, we have decided to apply to fruits and vegetables a combination of specific and ad valorem duties; this combination will, it is believed, meet the urgent need of the growers during those periods when they suffer from acute instability of prices and, at the same time, guarantee to consumers, at all seasons of the year, supplies of these products at reasonable prices.

The ad valorem rate on fresh vegetables is retained at thirty per cent under the general tariff and specific minimum duties will be effective, under the general tariff, on all except green peas and green beans.

All fresh vegetables of domestic character are made free of duty under the British preferential tariff.

I am glad my hon. friends approve. In taking this action, we have had in mind the growing ability of Bermuda and the West Indies to supply the Canadian market during the Canadian off-season, a possibility which is rendered more feasible than before, now that Canada has her own direct steamship connection with these islands, employing vessels which are specially built for efficient transportation of perishable commodities.

For electioneering purposes, our opponents already seek to incite certain associations to protest against the new tariff on fruits and vegetables. The Eastern Canada Fruits and Vegetable Jobbers Association contend that the house-keeper will have to pay for a cauliflower 40 cents instead of 25 cents, and celery will sell at 25 cents and never again at 15 cents; tomatoes at 21 cents instead of 15 cents.

Furthermore the Western Fruit Jobbers Association, also protest because, they say a tariff of 1 cent per pound will be levied on cabbages, rhubarb, cucumbers, spinach, and a tariff of 2 cents on cauliflowers, tomatoes and celery.

Let these associations be without fear! The government states the Minister of Finance, has provided for this by granting greater facilities to stock the Canadian market, during the slack season, from Bermuda and the West Indies.

I am highly pleased to note that the government has remembered, as it always does, our farmers who provide us with milk, butter and cheese. Our dairy industry plays a leading part in the prosperity of the nation. Our farmers have rejoiced over the duties to be levied on butter imported from New Zealand and the bill providing for the cancellation of the treaty between Canada and that country. This sound policy will give rise to great hopes and generous emulation among the farmers of our rural districts. Through agriculture we will promote our prosperity and insure our survival as a nation. Thanks to a remarkable development of agriculture, the consumer and city worker will find on his table products grown on Canadian soil and at reasonable prices. Both the toilers of the land and city workers, in perfect harmony, will endeavour to build up a Canada constantly gaining in happiness, prosperity and greatness.

In closing my remarks, Mr. Speaker, you will, I trust, pardon my indiscretion if I state that an incomparable inspiration of patriotism has prompted the beautiful pages which you wrote on the anniversary of the fourth century of the discovery of Canada. You have been presiding for nearly ten years over the proceedings of this house. You have been occupying a seat in this parliament for the last thirty-four years. You have watched over the economic, agricultural and industrial development of our young and vast country. Our political evolution hides no secrets from you. When a few moments ago I was glancing over the admirable lines whose author you are, I was thinking of the immense advantages that Canada would derive from the realization of your ideals. "Memorial to the Discoverer" ("Le monument du Souvenir"). What a noble and generous inspiration! To gaze on a past denoting strength and filled with heroic deeds, sailing with spread canvas in the royal wake of future, such must be the inspiration of all true Canadians.

In a masterly description which will do honour to your compatriots, the House of Commons and the "Institut de France" of which you are one of the distinguished members, you take us with you across your beloved Gaspé peninsula, the cradle of civilization and the gospel in New France. Then, foreseeing the splendour of the great manifestations and the unbounded joy of a nation deeply moved and thrilled, "already"—you say—I see the crowds moving towards the Gaspé peninsula.

It is the beautiful month of July, the third or fourth day (tiers jour ou le quart) as Jacques Cartier so delightfully puts it. Automobiles form lines basking in the glorious sunshine of the coast. The bluish tinted capes stretch far out to sea; the pleasing mounts display their rounded crowns. Ships, aeroplanes gather from everywhere, swiftly splitting the rocking waves. Trains rolling in the dust from one coquettish village to another. And innumerable pilgrims, pilgrims of the memorial and pilgrims of the faith, halt over there, at Gaspé, close to the secure harbour (hable sœur) along the basin, between graceful hills. Piously, they move across the threshold of the cathedral whose cross is erected on the point (poinct), on the very spot where, four centuries ago, in the primitive forest, Jacques Cartier erected his wooden cross thirty feet high (haulte de trente-pieds) in the midst of his mariners (mariniers), the humble toilers (laboureux) of the sea, and the naïve and astonished Indians.

In this beautiful literary work, you have mingled the zest of the distant past to the progress of the present. Canada, an autonomous unit in the British Empire, deems it its duty to continue under the Ægis of our new prerogatives, in peace and harmony, its ascending march towards prosperity.

Notwithstanding the despondent cries of braggers and vilifiers of their own country; notwithstanding the sharp steel of the bombastic voice of the hon. leader of the opposition! It crumbles as it strikes the granite of the present budget. We are witnessing the spectacle of a defeated army, disarmed and disabled opposition, which awaits an impending and inevitable defeat.

Mr. A. M. EDWARDS (South Waterloo): Mr. Speaker, I regret very much that I was not able to follow the arguments of the previous speaker (Mr. Lacombe). That, of course, is my misfortune. But judging by the applause which greeted his remarks from that side of the house, I presume they were very much to the liking of his colleagues.

In rising to speak in this debate I do so not so much to deal with what is contained in the budget as with what is omitted from it. The activities of this government seem for some years to have been devoted to assisting almost every country in the world but Canada. Agriculture has been embarrassed by treaties which in every instance have reacted against the Canadian farmer. Manufacturing industry has been embarrassed by a continual tinkering with the tariff. This brought about uncertainty in all lines of business, for no one knew just where the next blow would fall. Then in turn capital became alarmed; in fact it has been withdrawn in many cases, and certainly it is not available at the present time to take its part in the improvement of industry. Each year some industry has been crippled. For three or four years I have in my speeches in this house dealt with the textile business. I predicted in 1928, when the 12½ per cent duty was taken off worsted yarn, that the worsted cloth business of this country would be very seriously embarrassed if not badly crippled, and it is with the object of putting the position of that industry before this house and before the people that I have risen to speak on the budget.

By the budget items, so searchingly reviewed by the hon. member for Vancouver Centre (Mr. Stevens) this afternoon, the secondary industries in iron and steel have been seriously affected; for instance, such an industry as that making vitreous enamelware, and the washing machine industry. In the case of the industry building children's wagons and sleds, whose business is almost slaughtered by importations from the United States, the government have seen fit to reduce by an additional five per cent the tariff on these goods coming in from the United States. The difference between five per cent or seven and a half per cent, I am assured, is pretty nearly the difference in this industry between success and failure. In many cases, according to our manufacturers, toy wagons in the United States have been coming into this country undervalued. The Minister of National Revenue (Mr. Euler), has assured the house that with respect to furniture coming into this country undervalued for duty purposes, the fair market value in the country of origin will not be taken as the fair market value in Canada owing to the different conditions prevailing in the country of origin. That being the case, if he has the power which he says he has to raise the valuation for duty on furniture, I trust he will give that relief not only to furniture which is so largely manufactured in the northern portion of the county which he has the honour to represent in this house, but also to other industries which are suffering from similar unfair competition, as makers of wagons and sleds for children and many other lines.

Articles such as enamelled kitchenware, which this budget reduces from a 20 per cent to a 10 per cent British tariff, will flood this country. That is all well and good; no one wishes to bar English whiteware enamel from this country, nor do we want to bar the whiteware from any other country. However, where the importation of this product interferes with

the product of the Canadian factories, deprives Canadian workmen of their means of livelihood and floods this country with ware that is manufactured under different conditions of labour, we have first to attend to the interests of the Canadian people. As I understand it, we are not here to legislate for any other country; we are here to look after the interests of the Canadian people. As I understand my mission in this house it is not to help pit one class of industry in this country against another; I am not here to pit the manufacturer against the agricultural worker. Our purpose must be to give every industry a fair show. Where there are such conditions as obtain in mid-European countries, and in England, where wages are very much lower than they are here, and in many mid-European countries where the standards of living are very much lower, to my mind it is not a case where the tariff or the fiscal policy should be changed to allow the articles from these countries to enter Canada in unfair competition with Canadian made goods. Anybody who has had anything to do with employing labour knows that it is very difficult at the present time to keep this labour employed. Personally I do not understand how a great number of the labouring people are getting along. Wages are not excessively high by any means; on the contrary, they are excessively low when we consider the Canadian standard of living and the money it takes to educate a family in this country in a decent manner. So much for that part of the budget.

In the southern portion of the county of Waterloo, which I have the honour to represent in this house, we have a highly industrialised section, and one that might be regarded as almost perfectly balanced. We have an extensive rural community largely composed of prosperous farmers, and ninety-five per cent of the produce of the farms in that county and in the surrounding counties is consumed in the counties themselves. To my mind that is an ideal situation and one which the Minister of Finance might well have kept in mind when he was framing his budget; the ideal situation would seem to be where there is, as nearly as possible, a balanced community of consumers and producers.

I wish to say a word or two about the dairying industry. A much belated attempt has been made in this budget to right a very grievous wrong done to this industry, which has been very largely destroyed by the huge importations of butter from New Zealand. If this budget is not too late in its attempt to revive the dairying industry I trust that dairying will be put back on a proper foundation. I have many letters from farmers in South Waterloo complaining about the very unfair competition of New Zealand butter making what was a very lucrative part of their business only a shadow of its former self. Perhaps I might illustrate the condition of the dairying industry in that section of the country by giving to the house the prices of churning cream, which controls the price of butter. I shall give the price per pound of No. 1 churning cream for the first four months of 1930 as compared with the first four months of 1929:

	Price per pound	
	1929	1930
January	46½ cents	40½ cents
February	48 cents	39½ cents
March	48 cents	39 cents
April	48 cents	35 cents

I wish to point out that in the month of June, 1929, when the grass season was at its peak, the price of churning cream was 49½ cents. In April of 1930, when cattle had to be fed, housed and cared for, the price of churning cream was 35 cents. That comparison will give the house a very fair idea of what the producer of butter has to contend with. So long as this vacillating policy continues of not knowing just exactly what is going to happen next and what industry is to be affected next, just that much longer will it take for this dairy industry to be put back on its feet. I trust that the present government have had sufficient experience with this New Zealand agreement during the past four years never again to interfere with the dairying industry in this country.

During the last three or four years I have on several occasions referred to the textile industry, and more particularly that part of the industry relating to woollens and worsted cloths. In the constituency from which I come there are two very large industries of this nature and several smaller ones. One of the large industries which formerly employed between 800 and 900 people is now employing four or five hundred people, who are working only on short time. I may say this is almost entirely due to the fact that in 1928, this government took off the 12½ per cent protection on worsted yarns, and in an industry of this kind, where wool was washed, combed, carded and spun into yarn, with the heavy work being done by the heads of families and the work at the looms more or less handled by female help, one can understand the serious situation which was created in

towns with a population of from 2,500 to 3,000. That is only one instance. In another factory in another town, where 270 people were employed in making woollen cloths, as distinguished from the worsted mill, since last November they have been working four days a week, and they do not know just where they are heading at the present time. Certainly they are losing a great deal of money. Hon. gentlemen can readily understand that in small towns where they have one or two of these industries this is a very serious matter, and if any words of mine are taken by the government to indicate the gravity of the situation, I shall be well content.

The condition of the woollen industry in Canada continues to be such as to give the greatest concern to those who have a sincere interest in the future of this industry. The attempts made by the present government during recent years cannot be described as other than futile and complete failures instead of being helpful measures for this important industry, as no doubt they were intended to be. Undoubtedly Canada has vast potentialities for greater and more comprehensive development in every line of industry and this woollen industry, which is fundamentally next to the great agricultural industry, is very important to the country at large. Now the situation is that one of the most flourishing of our great industries for years has been almost hopelessly struggling to avoid being completely submerged by the unfair competition to which it has been exposed. The importance of this industry was vividly impressed upon the people of this country during the stress of the war period, when the need for native sources of supply to meet the actual clothing requirements of our civil as well as our military population was emphatically brought home to all who were old enough to be impressed with this matter.

On former occasions I have alluded to the inadequacy of the attempts which have been made by the government to enable this branch of Canadian industry to make progress. It is clear to me, as it is clear to others who are located in communities where woollen and worsted manufacturing plants have been struggling to continue in operation against great odds, that the warnings issued by those who were qualified to know what would be the effect of various changes introduced by the government did not receive from the government and its advisers the consideration which they deserved. From any action which has been taken by the government, these warnings from qualified, sincere and responsible men, to which it was frequently compelled to listen, might as well have been the cries of immature and irresponsible children. No constructive action has been taken by the government up to this moment; such palliative measures as have been introduced have turned out to be anything but constructive in the final analysis. As a matter of fact they have been destructive to the well-being of the industry and to the welfare of the many citizens of this country who had a right to look to this industry for their livelihood.

Just here I should like to refer to the meetings which were held between the representatives of the textile industry and the tariff board. These representatives appeared on several occasions, and each time presented their case to what was thought to be a sympathetic board. In fact one prominent member of that board, to my certain knowledge, said he realized that the textile industry in this country had not been fairly treated, but no measures have been adopted looking to the relief of that situation.

Just what is the condition to which we have been brought by these ill-advised and badly conceived measures? If the government is cognizant of the effects of its past attitude on the woollen and textile industry in this country, with its vast potentialities, the government must know that these warnings to which it has listened from time to time were worthy of greater attention than they received. I have absolute knowledge of the situation in my own constituency as well as in other parts of the country, and I know I am not misstating the facts when I say that to-day there is not a single wool combing plant in operation in Canada. Wool combing machinery which was installed in various worsted mills at a cost of millions of dollars and which, in the past, combed millions of pounds of wool from Canada and other parts of the British Empire, at present is not being worked to 5 per cent of its capacity, and the numerous employees of these combing plants have been obliged to seek employment in other lines of industry which, as everyone knows, is not easily found with conditions as they exist to-day. Visit any of the combing plants in Hespeler, in Sherbrooke, in Campbellford, in Guelph or at any other point, not to mention that other large plant in Trenton which within the past year or two has been completely dismantled, with the machinery shipped to the United States; seek confirmation of this statement, if you will, and you will find the fact to be as I have stated. There is not one of these plants at present consuming five per cent of the wool which it

could consume if this industry received proper consideration from the government. They are all practically closed down.

Not only has the wool combing industry of this country been given the quietus, but the worsted spinning plants of the whole Dominion are rapidly going into the discard and millions of dollars invested capital are being rendered unproductive. Hundreds of the employees of these spinning mills are only working a few days a week if, indeed, they are fortunate enough to have any employment at all in this industry for which they have been trained. I feel absolutely warranted in stating that the spinning equipment for woollen worsted yarns in Canada is not being employed at present to one half its normal day work capacity, and now I am speaking only of those mills which are fortunate enough to be working at all. A number of these well equipped spinning mills with the latest machinery are completely closed down, with not a wheel turning. The Orillia worsted spinning mill, with its 5,000 spindles, is a case in point. The worsted spinning plant at Milton is also completely closed, and scores of people in these places have left the industry altogether; 110 or 115 hands in Orillia have been forced out of employment. With all the spinning plants in the Ontario mills thus suffering from want of work, we have the same reports from the industry in British Columbia and in the eastern provinces.

Hon. members should bear in mind that this condition has not been brought about because we have an over-supply of such factories or equipment in Canada. We have not enough spinning machinery in Canada to take care of our normal requirements. The fact is that while our present mills are standing idle the importation of woollen yarns, already spun abroad in mills where the wages paid are much lower than those in Canada, is continuing to the extent of millions of pounds annually, creating a competition which it is absolutely impossible for our mills in this country to meet if they are to continue to pay living wages to their employees and meet the obligations imposed by Canadian standards. Not only are yarns worth millions of dollars coming to Canada free of duty for weaving purposes, but in addition yarns for further manufacturers of wool cloth still flood the market, coming not only from Great Britain but from mid-European countries as well, to the detriment of Canadian industry and in many cases to the detriment of the ultimate purchaser of the goods owing to the inferior quality of the imported product, which in many cases is made of wool substitutes and which has no wearing qualities when made up into garments.

The 12½ per cent duty which was taken off wool and worsted yarn figures amounts to less than 80 cents per suit of clothes manufactured. That amount is being taken away from the Canadian workman and given to the man who manufactures the clothes. Will any hon. member in this house say that the saving of 80 cents per suit of clothes is passed on to the consumer? I do not think that anyone will make such a statement, because it would be absolutely false. Nothing is being received in return for the putting out of business of this great industry. The statistics which I propose to submit will verify the serious condition which exists in the woollen industry. There is also the further underlying fact of an additional loss to Canada of the ultimate consumption of raw wool which the vast areas suitable to the production of wool and mutton are capable of producing. No student of the situation can overlook this feature.

I would like to give the house some official statistics with reference to the importations of woollen and worsted goods for the twelve months ending with February, 1929, and February, 1930. The figures are as follows:

	1929—Value		1930—Value	
Combed wools and noils		$ 5,869,404		$ 4,012,720
Woollen and worsted yarns	lbs.	5,714,542	5,820,504	5,895,431
Carpets and rugs		3,429,000		3,285,652
Woven fabrics to be dyed and finished in Canada	sq. yds.	1,765,582	3,273,913	1,308,962
Tweeds	yds.	4,155,176	3,169,898	2,909,847
Worsted and coatings	yds.	13,966,096	8,307,560	10,994,342
Wearing apparel		5,301,816		5,076,423

In other words, sufficient cloth was imported last year into Canada to make more than one suit of clothes for every adult male in the country. Most of us are not able to purchase more than one suit of clothes per year, so what is left for the Canadian mills?

[Mr. A. M. Edwards.]

The official figures show that the value of combed wools imported into Canada for spinning in the worsted yarn mills was $4,012,720 for the twelve months ending February, 1930, as against $5,869,404 for the twelve months ending February, 1929. The weight of

combed wools is not given in the returns. These figures show a marked drop in the business of the spinning mills of Canada, and the opening months of 1930 indicate a further decline. The fact that the importations for the last period of twelve months have dropped about 4,000,000 pounds does not signify that there has been increased production in Canadian weaving. Business conditions have been such that while imports have decreased the production of cloth in Canadian mills has shown no appreciable increase. The figures I gave for woollen and worsted yarns include weaving yarns, which are free of duty; knitting yarns, with a duty of 12½ per cent, and other yarns with a duty of from 12½ per cent to 20 per cent.

With the permission of the house, I will put on Hansard some figures showing the importations of woollen and worsted goods into Canada for the months of December, 1929, and January, February and March in 1930, these being the last months for which figures are available. This statement is as follows:

This summary from Department of Trade and Commerce Reports of Canada includes woollen blankets, woollen and worsted yarns for all purposes; woollen and worsted woven fabrics such as flannels, overcoatings, tweeds, serges, coatings, fancy worsted suiting and plushes.

This does not include knitted goods nor ready to wear garments of woven or knitted materials.

Figures as to quantities denote pounds in the case of yarns and yards in the case of woven goods. It is assumed that the average weight of woven woollens and worsteds would be about one pound per yard, so that the quantity figures herein will approximately represent the weight of all yarns and woven woollens, exclusive of knitted goods or ready to wear garments of wool.

Imports in four months	Quantity in yards or pounds in four months	Value in dollars in four months
Great Britain	7,040,414	$7,568,257
France	1,103,807	987,972
Germany	322,314	390,768
United States	233,747	313,855
Italy	136,618	70,646
Belgium	110,191	58,318
Netherlands	37,923	72,961
Czechoslovakia	26,847	36,239
Switzerland	11,891	13,651
Poland	1,637	1,930
Japan	2,923	1,040
British India	1,656	2,972
Austria and Hungary	1,124	3,547
Sweden	6,026	6,788
Irish Free State	2,110	4,096
Total	9,039,228	$9,533,040

A kindred and interlocking industry with the woollen and worsted industry is the wool producing industry. This branch of agriculture is at a very low ebb, largely due to the fact that huge quantities of yarn are being allowed into Canada on the free list, thus throwing hundreds of spinners and combers out of employment. The makers of worsted clothing can bring in yarn from Great Britain at a lower cost than it can be produced in Canada. This is possible due to the lower wages paid in English and European mills. The following is a comparison of wages paid in Yorkshire and Canada:

	Yorkshire	Canada
Binders	$ 5 92	$13 to $15
Twisters	6 34	13 to 15
Spinners	5 77	13 to 15
Reelers	6 52	17 to 20
Doffers	5 22	13 to 15
Overlookers	17 03	35 to 60
Warehousemen	12 06	18 to 20
Blenders, carbonizers and labourers	12 06	18 to 20
Male help in grey-rooms, stockroom, packing department	12 30	19 to 22
Firemen	13 89	30

I do not think that anyone will argue that wages in Canada are too high. Surely $13, $15 and $17 per week are not living wages. When our workers are forced into competition with labour at $5, $6 and $7 per week, how can they possibly maintain a decent standard of living and raise a family? It simply cannot be done. These facts which have been put before the government year after year, not only from this side of the house but by the Tariff Advisory Board, should have been given more consideration than apparently they have received. Thirty odd years ago there were in this country many cloth factories making just such fabrics as in the manufacture of which Canadian wool can be most advantageously used, fabrics of a kind specially favoured by farmers and others who desire first and foremost good wearing qualities in their apparel. But on account of insufficient tariff protection and in particular the inequitable manner in which the British preference has been found, by experience, to operate, large numbers of these mills have been forced to the wall. In spite of the unquestionable worth and durability of their products, they have been unable to hold their own in the domestic market, the market of the country to which they were indigenous; against the veritable flood of importations with which they have had to contend. As a result, Canadian wool that a few years ago sold at from seventeen to twenty-five cents per pound is to-day being offered by the farmers in my constituency at eight cents per pound, with no buyers. It was the custom of many farmers in my constituency who raised sheep, to depend upon the wool clip to pay such items as taxes and insurance. I am told

by reliable farmers that to-day they have two years' clip stored in their barns and they are unable to sell it. Their market was the mill to which I referred before and which had to close down its spinning plant. They are unable to sell their clip and as a consequence they have had to seek other means of raising this money.

I wish to give the statistics as received from the Department of Trade and Commerce with regard to the imports of raw wool from different sources, also the wool retained in Canada for the years 1927, 1928 and 1929. When we stop to contemplate the fact that at the time of confederation, sixty years ago, with a population of 3,000,000 we had a sheep census of nearly 3,500,000 and to-day, with a population of 10,000,000, we have less than 3,000,000 sheep where we should have at least 20,000,000 to supply the local needs of Canada, some idea may be gained as to the condition of this industry. Everything is favourable for its enlargement with a country consuming more wool per capita than any other country in the world and with climatic and other conditions made to order. There is therefore only one conclusion to come to, and that is that we have with regard to sheep and wool products the most stupid policy that could be devised by any modern civilized nation.

The statistics which I wish to give are Canada's imports of raw wool from Australia as follows:

Calendar year	Australian imports Pounds
1927	510,461
1928	215,832
1929	416,728

From New Zealand the figures are as follows:

Calendar year	New Zealand imports Pounds
1927	3,809,544
1928	2,567,014
1929	2,951,902

Figures which are more important are those showing the quantity of foreign wools retained in Canada. It must be noted that these figures do not necessarily mean that the wools have actually passed into consumption in Canada, but may represent large stocks of wool stored in Canada for eventual shipment to other countries including the United States of America. Surely it is a paradox when you think of us in this country importing huge quantities of wool from foreign countries and shipping our Canadian wool to the United States of America. Gilbert and Sullivan in their palmy days could never have written anything to fit this case. Foreign wools are to quite an extent stored in Canada in bond so as to be available for shipment to the United States as definite orders from that source are received by Canadian branches of foreign wool houses, of which there are now a large number located in Toronto and other Canadian centres. The statistics are as follows:

Calendar year	Foreign wools retained in Canada Pounds
1927	14,035,168
1928	14,214,902
1929	12,040,540

Calendar year	Canadian wools retained in Canada Pounds
1927	7,315,966
1928	11,260,630
1929	15,144,200

That is, two years after this nefarious budget was brought down in 1928, when the government took the 12½ per cent off worsted yarns, we find stored in Canada 15,144,200 pounds of Canadian wool. This does not indicate that the increased quantity of domestic wool has actually been consumed in Canada in the year 1929. Canadian dealers are holding vast quantities and the wool growers themselves in many cases have their wool for the past two seasons still unsold. This explains the vast stocks shown as retained in Canada in the past two years.

I hope I have put the case of the woollen and textile people before the house in an intelligent manner. I have tried to do so to the best of my ability. Every figure that I have given is taken from the official records and I can assure the house that unless some relief is afforded to the textile industry of this country in the very near future, many more mills will go out of business. It is not fair to select any two or three or four industries and cripple them as the government is doing to-day. Huge sums of money are invested in these industries. I have photographs of the interior of one mill and it is fully equipped with the very finest machinery that can be purchased in the world. I can assure the house that these people to-day are driven nearly to distraction to find work for their employees. At the same time we are bringing into this country tremendous quantities of cloth, finished goods, thus giving work to people in other countries and depriving our own people of it.

The Minister of Finance may talk about the British preference as he will. It is only a prate; it is only something thrown out to the people prior to an election. What difference does it make to a Canadian workman out of a job whether the business is built up

in the United States or in Great Britain? Not one particle, and I believe every workman in this country, in fact, every member of the house, would like to see our Canadian people employed. But the methods and the policy are wrong and will be until such time as the government are willing to adopt the entire policy of the party to which I have the honour to belong, as they have adopted that part which constitutes the only beneficial portion of the present budget.

Mr. M. N. CAMPBELL (Mackenzie): I wish to congratulate the Minister of Finance (Mr. Dunning) on this the occasion of his first budget. I recall the time twenty-one years ago when I had the honour of presiding as chairman at a meeting addressed by the present Minister of Finance and I remember that at that time he struck me forcibly as being no ordinary man. I expressed my opinion later to the audience that he was a man well worth while keeping in one's eye and that he would make his mark. I am glad to see that he has fulfilled my prediction. At that time the minister did not have the air of self-confidence that he has to-day. He was then a very young farmer who was active in voicing the wrongs of his class and in putting forward suggestions for a remedy. Needless to say, sir, the remedies that he suggested at that time are not in the budget that is before us to-day.

There are many provisions in this budget that are satisfactory to me and will be satisfactory to my constituents. There are very many that are unsatisfactory. One of the unfortunate things about these budgets is that no matter whether a member votes for or against the budget he always finds himself voting against some things that he wants and for some things that he does not want. However, we must take the budget items in the aggregate and vote either for or against the budget.

In making a general analysis of the budget, I find that there are 270 items announced by the Minister of Finance as having the duty lowered. These are articles mostly imported from Great Britain. Of that number I find that 96 items apply exclusively to manufacturing. I am not complaining of the fact that reductions are made to manufacturers, but I draw attention to that fact because I am anticipating that statements will be made throughout the country boasting of the great benefit these reductions will be to the consumer, and I think it is well to point out this fact because with respect to these particular items there are no provisions for extending the benefit of the reduction to the consumer.

Of the other items there are at least 100 in respect to which there are no imports, and therefore for all practical purposes they can be wiped off the list of reductions. Among them are wheat, barley, buckwheat, tallow, hay and straw, live hogs, beeswax, eggs, oatmeal, cornmeal, potatoes, sugar beets, cider and sewing machines. These articles, previously dutiable, are now put on the free list when imported from Great Britain. But there are no importations of these goods and likely never will be, and the list of reductions is reduced accordingly.

A great many of the fruit items that are put on the free list when imported from the British Empire are fruits of a class that do not under any circumstances come in from Great Britain, the West Indies or any other part of the empire. Of the balance, I find that under ten items we imported less than $100 worth of goods under each; that under 15 other items we imported less than $1,000 under each; and that of 10 other items we imported less than $2,500 under each. I do not, of course, suggest that the importations will not be greater under the reduced rates. My point is that unless there is a certain amount of trade moving in a certain channel there is very little chance of a moderate reduction of duty forcing that trade to move in that channel. The reductions are not made upon commodities of which we import large quantities.

With respect to other items, I find that certain changes are made in the application which may nullify the reductions. Take, for instance, item 409e—spraying and dusting machines, and so forth. There is a new phrase inserted in that item, "for farm purposes only." That phrase was not in the old item. The same phrase is included in item 409f—hay loaders, hay tedders, potato planters, potato diggers, and so forth. Both these items were previously dutiable under the British preference and are now put on the free list, but there is a possibility that with the addition of this phrase "for farm purposes only" they may be deprived of the benefit of being put on the free list.

May I refer to item 448 in the old tariff, under which a certain class of farm machinery had the duty raised from 10 to 30 per cent by the application of a provision of that kind? This item covers a certain class of farm implements for farm purposes. Some time ago the present Minister of National Revenue (Mr. Euler) instructed, I understand, the collectors that in order for these

implements to be classified for farm purposes every invoice must be accompanied by a statement showing the name of the farmer who purchased them, his post office address, a description of his land and so forth. Now these goods were imported by dealers. They were not sold, and consequently the dealers not being able to meet the conditions, were required to pay a duty of 30 per cent. That is why I mention that the insertion of this phrase may completely nullify the reduction.

Let me refer to item 427. This covers all machinery composed wholly or in part of iron or steel, of a class or kind not made in Canada. The clause "of a class or kind not made in Canada" is new. These goods paid 15 per cent duty under the British preference, and they are now put on the free list. Last year we imported from Britain $1,072,000 worth of goods under this item. The addition of this new clause "of a class or kind not made in Canada" may bar this item from the benefit of the reduction.

Take item 428b—engines or boilers, of a class or kind not made in Canada. This was dutiable under the old tariff and is now free. Again I say that the clause "of a class or kind not made in Canada" may debar this item from the benefit of the reduction. I find the same clause in item 446—manufactures, articles or wares, of iron or steel, and so forth. It paid 20 per cent under the old tariff and is now free.

Under most of the remaining items the imports are very, very small. Of course we hope that the importations will increase, but they are not of a class of goods which give us ground to hope that there will be any large importation.

One of the largest items that is put on the free list is tea. Last year we imported 37,733,000 pounds of tea. The reduction in duty, however, does not apply to that whole importation because this item provides that tea shall be entitled to free entry under the British preferential tariff "upon evidence satisfactory to the minister that such tea has been produced wholly in the British dominions." We imported a considerable quantity of tea from Japan last year, 3,341,000 pounds; from China 368,000 pounds; from the Dutch East Indies 415,000 pounds; from the United States, 85,000 pounds; and from Great Britain, 15,153,000 pounds. Of course, what was imported last year from Great Britain may or may not be empire grown. If it is not empire grown it will not be eligible for free admission.

The minister stated in his budget speech that we imported $200,000,000 worth of a class of goods that would be affected by these reductions in the British preference. The minister did not say that we imported $200,000,000 worth of these goods from Great Britain, but in reading the newspapers I find that that impression has gone abroad throughout the country. Rightly or wrongly many people have gathered the impression that we imported $200,000,000 worth of these goods from Great Britain last year, and they are led to believe that the reductions are very much more important than they really are. As a matter of fact the great bulk of these goods was imported from the United States, and I take it for granted that there will still be a large amount of them imported from that country.

The only other item of note that is put on the free list is that of china and porcelain, of which we imported last year, $2,773,000 from Great Britain. All these items, I may say, are subject to the regulation which requires the manufactured article to contain 50 per cent of empire labour or material. If the article cannot comply with that condition it must come in under the general instead of the British preferential tariff. Last session when we from this section of the house moved an amendment to the budget asking for an increase of the British preference the Prime Minister gave as his reason for not agreeing to our motion that it would be an unfriendly act to the United States. Now, however, he seems to have gotten over his fear of last year and is putting into effect retaliatory duties against United States farm products. These retaliatory duties, of course make an emotional appeal to a considerable section in the country. Many people will throw their hats in the air and say, "That is fine; give Uncle Sam a swat." But I cannot see that any practical result is effected. For instance, under these regulations we put a 42 cent duty against American wheat. Is that any good to us? Does it mean anything to us to put 53 cents a gallon duty on American fresh cream, when fresh cream will never come into this country? Butter and eggs are hardly affected. So for all practical purposes I think the effect will be very, very small.

Take another item, canned vegetables. That is on the free list under the British preference, but we import none, or practically none, from any point in the British empire. The duty is slightly raised against the United States, and we do import huge quantities of canned goods from that country. What effect the change will have it is hard to say, but so far as I can understand from studying the particular figures, it will mean nothing more than that we may have to pay a little higher duty on these goods imported from the United States

Now, coming to the increases in the tariff, one outstanding increase is the duty on invert sugar. This, I understand, is liquid sugar,—syrup of various kinds. I am told these syrups are used by bakers, fruit canners and confectioners, and very large quantities are imported. Last year we brought in 72,451,000 pounds. That is a very important item. Some time ago our sugar manufacturers made application before the tariff board for protection against this class of sugar. I presume the fruit canners, bakers and confectioners will now be compelled to buy the home manufactured article, which will cost them much more. The duty on this invert sugar is very, very high. Take the last item: under the British preference the duty was 35 cents a hundredweight, it is now 83 cents; under the intermediate tariff it was 45 cents, it is now $1.50; under the general tariff it was 50 cents, it is now $1.50—an increase of 300 per cent, and more than that in some cases.

Now, I come to the steel schedules. There are some very substantial increases here which will undoubtedly affect the cost of the manufactured article. Number 377, ingots of iron and steel, under the British preference was $1.50 a ton, it is now $2.50; under the general tariff it was $2.50, it is now $4.50; under the intermediate tariff it was $2.25, it is now $4. Another important item is number 384, skelp. This class of steel, I understand, is used for making bolts and pipes. Last year we imported about $6,000,000 worth from the United States, and from Great Britain $381,000. It was subject to a small duty under the British preference, it is now free; the duty is slightly raised under the general tariff. But there is a provision in this budget to the effect that whenever skelp is made in Canada another duty will apply. This latter duty puts the British preference back where it was before, namely 5 per cent, and increases the general tariff to 12½ per cent. So this item may be an increase.

I will take another class of iron and steel, 388a, on which there is a very considerable increase in the tariff. Under the old tariff the British preferential duty was $2 a ton, it is now $4, an increase of 100 per cent; under the general tariff it was $3, it is now $6; under the intermediate tariff it was $2.75, it is now $5.50—that is the duty is doubled. Another item on which there is a substantial raise is 396, cast iron pipe. We import very large quantities of this, almost entirely from the United States. The increase under the general tariff is from $8 to $10 a ton; under the intermediate tariff from $7 to $10 a ton; there is a decrease under the British preference from $6 to $5 a ton. Let me refer again to 410q, pumps and vacuum pumps and complete parts thereof. This item was free under all tariffs; it is now 15 per cent under the British preference, 17½ per cent under the intermediate, and 20 per cent under the general. Another item of some importance to western farmers is leather belting, 605a. This is not increased under the British preference, it is still 10 per cent; but it is increased from 15 to 22½ per cent under the general tariff.

Now, sir, I congratulate the government on what reductions they have made. I think it is a step in the right direction so far as the British preference is concerned, and I think it is an indication that the government realizes that there is a powerful public opinion demanding an increase in the British preference, not merely to get cheaper goods—I do not think that is the main object—but because our people realize that unless we buy more from Great Britain we cannot continue to sell to her.

Let me refer for a moment or two to the 50 per cent regulation that was dealt with by my hon. friend from Last Mountain (Mr. Fansher) this afternoon. The Minister of Finance in his budget speech made this statement:

> This budget is frankly framed to enable us to buy more freely from those countries which buy from us most freely those commodities which are of vital importance to us—

Further on he said:

> As a great exporting nation our course must be the contrary one of facilitating trade with those who facilitate trade with us.

It seems to me that if the minister had taken his own words seriously the first thing he would have done would be to do away with or modify this 50 per cent regulation. This regulation was introduced in the 1928 budget. The Minister of Finance at that time announced that the object was to foster inter-imperial trade. Well, I am objecting to this just as much on moral grounds as economic grounds. If there had been a reason for giving our manufacturers increased protection, then the government should have come out in the open and said so and not have resorted to this subterfuge. That is one of the objections I have. At the time it was pointed out to the then Minister of Finance by members from these benches that the effect would be to increase the tariff, not to reduce it. On one occasion the present Minister of Finance gave us an assurance—and he said he was speaking on the authority of the then Minister of Finance—that the regulation would not be allowed to have that effect. Later the Prime Minister definitely

assured the house that if it was found that cotton textiles—those were the particular articles we were dealing with at the time—cost any more on account of this regulation it would be done away with. I say that that promise has never been fulfilled, and I believe it is having a serious effect on our trade with the old country.

Again I say I am objecting to this not alone on economic grounds but on moral grounds as well, because I think if the government had thought that the cotton manufacturers needed protection they should have come out in the open and said so and manfully faced parliament on an issue of that kind. Cotton textiles duties is one thing to which we have objected in regard to these regulations. The other dominions of the empire, particularly Australia and New Zealand, where they have similar regulations, have exempted cotton from the application of similar regulations, and they have taken the ground that cotton is not commercially procurable within the British Empire. There is no doubt about that fact and because of that they have exempted it. So far however the Canadian government has positively refused to do this.

May I refer to the hearing before the tariff board on this 50 per cent regulation? On pages 6 and 7 there are examples of different kinds of cotton textiles showing how they are affected by this regulation. May I take example 3B—grey cloth, commonly called unbleached cotton. In this instance raw cotton is 49.2 per cent of the cost of the finished goods. In that case it would just get through; it would just be allowed in under the British preference. Here is the trouble, however: a dealer in Canada will object to buying an article of that nature knowing that by the time the goods get here the slightest change in the market value of cotton will put it out of that class and that instead of having to pay 12½ per cent duty he will have to pay 22½ per cent, or almost double. That is where the trouble arises in this case. Let me refer to another one. We will take the case of plain grey poplins, 7A in the list. In this case raw cotton is 50.6 per cent, so that that is definitely debarred from the British preference. We will take example 3D; in this case it is 53.5 per cent, so that it also is definitely debarred. In the whole list I find that of fifteen items named eight would qualify for entry under the British preference and seven of them would not qualify. In connection with the eight mentioned, may I point out, they are so close to the line that no business man would order them expecting to get them under the British preference; the slightest change in the value of cotton would throw them out of the British preferential class into the general tariff class. Everybody knows that a salesman going out to solicit business for certain goods would be confronted with an insurmountable difficulty if he had to admit that by the time the goods arrived they would be classed under a tariff which would be almost double the rate. It was pointed out in the hearing before the tariff board that yarns suffer more than cottons because yarns are the product of one manufacturer; they have less labour and more cotton, and consequently they are debarred from the effect of the British preference. One of these manufacturing concerns, through its representative, pointed out that this company wanted to import this stuff as a raw product, but they pointed out that the increased tariff meant that they would either have to quit the business or get the increased tariff. Hon. members will see how it operates; there you have another problem. This man, because the rate on his raw product is raised, is now demanding and will probably in the end receive an additional protection for his manufactured product.

The chairman of the tariff board seemed to go out of his way to attack the representatives of the British manufacturers. He forgot that his position was judicial in character and that it was his business to act in the capacity of chairman or judge. He forgot that fact when he addressed the British cotton manufacturers, and when he said:

> We in Canada are essentially interested in agriculture, and presumably when parliament gives preferences it gives them not for the benefit of the manufacturer alone but for the benefit of the farmer as well, and we have to take into account the interests of the farmers of the empire. We have to take into account the interests not only of Manchester but of Bombay and Calcutta. I assume that the idea of a preference is not merely to assist trade among British people.

He goes on to say that the object of this was to help the Hindu cotton growers. For pure sophistry I never read anything to equal that. Is there any member of this house who will say that when parliament passed that 50 per cent regulation they did it out of consideration for the Hindu cotton growers? To my mind such a statement is too absurd for consideration. It was pointed out before the tariff board that Canadian manufacturers are not under that obligation; they are not obliged to buy Indian cotton out of consideration for the Hindu growers. They buy it in the United States, the logical market, and that is the place they should buy it. My complaint is that by a subterfuge we are doubling the tariff here under the guise of

assisting empire trade. Representatives of the British manufacturers pointed out that Indian cotton is of very poor quality and that it is not regular. They said that you could not depend from day to day upon getting the same grade of cotton. Those representatives point out that Japan has a market for very cheap cotton and that she takes the great bulk of Indian cotton. Over there they cannot profitably use the Indian cotton, and therefore this debars them from the Canadian market.

Let me view this from the opposite angle for one moment. Supposing Great Britain put into effect a similar regulation against our exports, against our automobiles, against our wheat and other farm products, a farmer who ploughed his land with a John Deere plough or a United States tractor would not be able to get his wheat into the British market, and the Canadian automobile manufacturer would find that his products were debarred from that market or subjected to a higher tariff because he did not use empire steel. Tractors are being made in the old country to-day; we know that Fordson tractors are being made over there and are shipped to Canada.

The hon. member for Last Mountain (Mr. Fansher) dealt so fully with the effect of this feature on the sale of our wheat that it is hardly necessary for me to devote any more time to it. I will, however, refer briefly to that angle of the question. A great deal of blame has been placed upon our western pools because a large part of our grain crop is still unsold and in this country. May I say that this regulation has had more effect on the holding up of our grain than any action on the part of the pools or grain dealers. I do not need to mention the arrangement that Great Britain made with the Argentine under which a reduced tariff was granted on cotton textiles about the same time that we increased it. I think that was one feature which has diverted the grain trade to the Argentine. In 1928, when we criticized that regulation from this section of the house, we pointed out that the effect of it would probably be not merely to benefit the Canadian manufacturer but to switch some of the cotton trade from Great Britain to the United States. For the past ten years, from 1920 to 1929 inclusive, we sold to Great Britain goods to the value of $4,051,000,000 and purchased goods to the value of only $1,612,000,000, leaving a favourable trade balance of $2,439,000,000 or an annual balance of $240,000,000. For the same period, 1920 to 1929 inclusive, we sold to the United States goods to the value of $4,598,000,000, in round figures, and we bought from that country goods to the value of about $6,708,000,000, leaving what we call an unfavourable trade balance of $2,100,000,000, or an annual average of $210,000,000. I quote the ten-year period in order to show that these were not temporary conditions.

I believe the prediction we made, that the result of this regulation would be to transfer some of the cotton trade from Great Britain to the United States and further intensify the unsatisfactory balances, has been pretty well borne out during the short time the regulation has been in effect. For the ten month period ending January 31, 1929, we imported cotton manufactured goods from Great Britain to the value of $11,058,000, and for the same period in 1930 that importation dropped to $9,680,000. For the ten month period ending January 31, 1929, we imported from the United States cotton manufactures to the amount of $13,144,000 and for the same period in 1930 this importation increased to $13,416,000.

We talk a great deal about the British preference; we heard a great deal about it during the budget speech of the minister, and practically every speaker in this debate has made some allusion to that preference. Sometimes I wonder if there really is such a thing, and when I examine trade figures I come to the conclusion that there is no such thing as a British preference. I find that for the same ten years period, 1920 to 1929 inclusive, the average duty on all United States imports, was 13.5 per cent, and that for the same period the average duty on British goods was 18·9 per cent. What is the use of talking about a British preference when we are charging Great Britain an average duty of 18·9 per cent—which, by the way, has increased substantially since this government came into office—and we are charging the United States only 13·5 per cent? It seems to me, Mr. Speaker, that we have been rewarding the United States for refusing to buy our goods and, conversely, penalizing Great Britain for being our best market.

In this connection I should like to quote from an editorial appearing in the Daily Dispatch, an English paper, under date of January 29 last. Referring to the conference between Mr. Thomas and the officials of the wheat pool, the editorial states:

> If there are to be discussions on the possibility of a freer, more uniform flow of Canadian wheat to British markets, there must at the same time be even more vigorous discussions on the essential need of a freer, more uniform flow of British manufactured goods into Canadian markets. Does either Mr. McPhail or Mr. Thomas expect the Lancashire cotton operative to enthuse over the import of Canadian wheat when he knows that the

export of Lancashire textiles is made unusually difficult by Canadian tariff barriers? We shall welcome shipload after shipload of Canadian wheat at Liverpool, or any other English port, so long as we know that those ships will load up with English products—coal, steel, machinery, textiles, hosiery, glass and china ware, and so on—for the return trip to Canada.

Mr. Thomas must take a firm stand here. He need have no fears on the matter, for the whole nation is solid on the subject. His job is to find work and wages for the people of Great Britain. They can only secure that work and those wages if there are markets for the goods they manufacture.

During the last two or three campaigns in the prairies, Mr. Speaker, one of the principle slogans of the Liberal party has been "Don't split the low tariff vote." We have heard that on the hustings all the way from the great lakes to the Rockies; indeed I believe the slogan was coined by the present Minister of Finance, and I give him credit for originating a good political slogan, because it did have a powerful effect. I think that slogan, and the way it was presented to the people in the province of Manitoba, succeeded in destroying the Progressive organization in that province, and it did us a great deal of harm in the province of Saskatchewan. The people were told that if they organized to elect a progressive they would be splitting the low tariff vote and would let in a Tory. Some of us tried to convince them that even if they did let in a Tory they would not be any worse off as far as the tariff was concerned, because the Liberals maintained a tariff just as high as the Conservative tariff, but with newspaper propaganda and a well-organized political machine behind them, they did make that slogan very effective. It seems to me, in view of the highly protectionist features of this budget and in view of the imposition and continued enforcement of this regulation, from now on we should hear no more of the slogan "Don't split the low tariff vote."

Mr. JOHN EVANS (Rosetown): Mr. Speaker, the budget as presented each year is viewed favourably or otherwise as the different industries are affected. During all the years I have been in parliament I have never heard anything advocated by the Conservative party except protection. Theoretically they have been opposed by the Liberal party, but apparently to-day the one party is not divided from the other even by so much as a theory.

I had hoped this year to see in the budget something for the common people, some popular legislation, something that would prevent the tremendous concentration of wealth which is going on year after year, giving political and financial power into the hands of fewer men. Unemployment has been a live issue during this session of parliament and it has been a problem in our western cities and towns, but what do we find? We have nothing in this budget designed to lower the cost of living; to-day in those parts of Canada where the farmers load their trucks in the fields and take the wheat directly to the hopper of the finest mills on this continent, where there is no freight rate or tariff involved, the price of bread is higher than in any other part of this country. All this is due to the tariff and the tremendous price-fixing power possessed by our millers and bakers. The cost of living is higher in Canada to-day than in any country to which we ship our wheat, particularly in the northern hemisphere. It is higher than in Great Britain or the United States, and I repeat that this is due to the fact that those who are in control of the government of Canada to-day have privileges which make them and the interests with which they are concerned alien to the common interests of the people.

The three prairie provinces, which to-day comprise about half the agricultural area of Canada, live entirely by exporting their products, which consist chiefly of two kinds indigenous to their climate and soil. I refer to grain and live stock. These are the two staple products of the three western provinces, and it is necessary that our people have the greatest freedom to exchange these products for the commodities which they need. But what do we find the government doing? They have placed every restriction possible against Great Britain which supplies the best market for these products. Trade restrictions —miscalled in Canada protection—cause a maladjustment of economic forces. Wheat remains unsold in Canada to-day due to an increase in the already unbearable and silly obstructions which were placed against our trade with the motherland. The latest restriction against trade with Great Britain is that which requires that all goods shall come directly through a Canadian port and that all goods must be at least 50 per cent of British labour and material. These restrictions have proved this year to be a boomerang, not only against the farmers but against the industrialists and capitalists of the country. At the end of 1929, we should have sold some 70,000,000 additional bushels of wheat in order to have evened up with other years. Had the $90,000,000 which we would have received in payment been in circulation, I do not

believe the Prime Minister would have been pestered with delegations from the west seeking aid for unemployment. These things hinge one on the other, and a policy of a government is always known by its budget. These latest restrictions, like all others, are due simply to log rolling and to unholy alliances between certain directors of industry and the government. The industries most concerned are the textile and steel interests, which have received considerable increased protection by this budget. These restrictions will result in a curtailment in the wheat acreage in western Canada, which will further curtail the incomes of our railroads and factories. I do not think the adjustments looked for by the Minister of Finance (Mr. Dunning) will be realized this year. Canada would have made a wonderful showing in trade this year had the agriculturists had the freedom of exchange which was their inalienable right, but the bounds of selfishness and greed have been overstepped during the last six months, all to the nation's detriment.

The protectionists bewail the fact that Canada imports certain goods which they claim should be made in Canada. They say that it is necessary to keep in the country the money which is sent abroad so as to give work to our workmen. At no time have there been greater obstacles placed against the importation of goods into Canada; at no time has the unemployment been so acute as it has during the last six months. We cannot increase our exports year by year without purchasing abroad. As was stated once in this house by the Hon. John Charlton, this is where the protectionist manufacturer comes in as an alien to the commonwealth. It would be wiser for Canada to take off every restriction which now impedes the progress of agriculture even though it were necessary to subsidize certain manufactures and interests which might be essential to the welfare of the country.

Let us consider the steel industry. During 1929 we paid in wages in that industry the sum of $168,320,038. The number of employees was 119,200, making an average wage, including salaries, of only $1,412.80. The average earnings of the wage earner would probably be less than $1,000, which would not permit of a high standard of living. During the same period, in the agricultural implement industry the average wage paid, again including salairies, was $1,251.50. It is quite evident that the workingman is not sharing in the prosperity of the country which has been boasted of in this house. In duties paid, the country taxed itself the sum of $62,141,582.83 in order to protect the steel industry, which produced to the value of $609,632,999. The total importation of steel products amounted to $346,615,810. This means that the country was taxed about $180,000,000 in order to maintain that industry, which sum is over $11,000,000 more than was paid in wages. If we deduct the amount of exports, $82,256,717, it leaves a consumption of made in Canada goods amounting to $526,624,282. These goods were purchased at prices equal to or higher than those of imported goods. A sum of money has been pilfered from the home consumers greater than the wages paid in the whole industry. The price of agricultural implements, which includes the duty paid, has always been higher than that of the imported article.

I hope that this country will in the near future come to see that a tariff burden which is imposed as a national policy is simply a class policy, and that instead of providing a home market for our agricultural products, the manufacturers depend upon the privilege of price fixing and fleecing the home consumer to provide a profit on their sales, both export and domestic. I cannot see how any industry receiving the benefits which the steel industry does can benefit Canada. The burden practically all falls on the basic industry of the country, namely, agriculture. To-day it is grinding that industry to death, and we have surely an object lesson in the way the agriculturists of the United States have been reduced to the point where the government has seen fit to vote them direct aid. It ought to do good to the labour movement and the farmers' organizations in all the provinces of the Dominion to see now the close community of interest between the Liberal and Conservative parties, the manufacturing and distributing concerns, as well as the banking fraternity, as exhibited by the presentation of what is no doubt the most protectionist budget we have seen since confederation.

I like that feature of the budget which favours Britain by an increase in the preferential tariff, but whether our people can take advantage of it depends on two things that may be done. As it stands, I am afraid that our people will find the budget in this respect is simply again a feint. The British preference inaugurated during the first years Sir Wilfrid Laurier was in power was enacted to give relief to the Canadian consumers and save them from the price-fixing power of those who benefited by a protective tariff. The present government will be judged in this respect on the silly and unjust restrictions placed on the British preference last year rather than on those items in the budget giving us some

advantage under the British preference. If the government expects the Canadian consumer to benefit at all by the increase in the number of articles on the preferred list, those restrictions must be removed immediately.

Another thing that will have to be done before our people can take advantage of the preference as it exists is the formation of co-operative societies for the distribution of commodities. We are still left with the discriminatory feature of appraisements by customs officers who make appraisements according to the different standings as classes of the importers themselves. Cooperation should be the aim of all statesmen to-day in order to save the consumers from the awful price-fixing power and extortion of the distributing combine. One thing that all governments have prevented as far as possible is cooperation, and these discriminatory valuations made during these latter years have been aimed particularly at cooperative companies. Indeed, nobody in the house knows better than the Minister of Railways (Mr. Crerar) the discriminatory nature of valuations which put the United Grain Growers in 1915 out of the business of distributing agricultural implements.

From the time the Liberals took office in 1897 and revised the tariff that year, concessions given to the steel industry in Canada amount practically to a scandal. Under the Steel Bounty Act, prior to 1911 when the bounty legislation expired, some $17,250,000 had been paid from the Dominion treasury to aid the steel concerns, and of this amount $6,481,953 went to the Sydney company that to the present day has proved a bottomless pit for privilege which both parties, Liberal and Conservative, seem to have vied with each other to furnish for it. Now the Liberals and Conservatives join again to carry on the game of privilege by higher steel and iron duties after a futile attempt for the past whole generation to establish a steel industry in Canada. The present feint in the same direction is expected again to deceive the electorate that is supposed to stand for an increase in prices. The tariff is responsible for practically robbery in every big industry, and this goes on, as we have seen, in certain industries to the extent of more than the whole of the wages paid in them.

One fact which indicates the incongruity of the tariff system as a national policy I have mentioned in the house before, but it will do no harm to repeat it. We can go across from the south of Manitoba and Saskatchewan into North Dakota, buy there a seed drill and other agricultural machinery made in the city of Hamilton, Ontario, pay the duty on those implements, bring them back into Canada and on the seed drill alone save $30. I am quoting this from George Edwards who was for some years at the head of the research bureau of the United Farmers of Saskatchewan.

Perhaps the boot and shoe industry is one of the worst of our tariff-fed babies. Let me give some figures relating to this industry for the year 1929:

Production in Canada, based on an average per pair valuation of $2.40	$50,018,802
Exported	8,973,035
Domestic sales	41,045,767
Total imports, valuation	3,537,234
25 per cent duty on above	877,333

As I have said before, the home made article is always sold at as high as the price of the imported one with the duty added.

Duty on home made charged to consumer	$10,261,441
Extra cost to Canadian workers.	11,138,774

This is more by $1,071,386 than we paid in wages in the whole industry for the year 1929. Now for every dollar of duty paid into the Dominion treasury the manufacturer got $11.69. We are told that this is necessary to even up the difference in cost of production in this highly protected country. During the year there was paid in wages and salaries the sum of $14,982,608, or $966.30 for each employee. The sum paid to the salaried employees was $2,713,166, or an average of $1,980.41. The 14,135 wage earners received $12,269,442, or an average of $868 for a year's work. For many of our citizens that surely does not demonstrate the existence of our boasted prosperity.

All these concessions in the budget are made to the steel manufacturers without one concession to the workingman. Practically nothing is done in this budget to lower the cost of living. There is no protection for the worker as to a fair wage or even steady employment for the workers in the foundries and factories of the steel industry. It is easy to see whose work it was to compose the budget.

The charge has been made that the farmers want the Australian treaty abrogated so that they may have a duty placed on all importations of butter. This is not so. The farmers wanted the Australian treaty abrogated because of the discriminatory qualities of the treaty itself. It was made purposely for automobile manufacturers and for manufacturers of agricultural implements, paper and other products. The very foundation of the Australian treaty was the taking off of three cents a pound duty on butter and placing three

cents a pound duty on raisins from all countries except Australia. Now there will be that duty on both butter and raisins, raising still higher the cost of living.

Besides, we tax ourselves to give cheap transportation to Australia and New Zealand for our manufactured goods. This charge again agriculture, the basic industry, has to bear the biggest portion of. That is, the Canadian farmer pays carriage on agricultural implements made in Canada to our own competitors in another land, by steamship subsidies and subventions. The Australian treaty would never have been thought of except to give advantage to manufacturers at the farmer's expense. The duty on butter previous to the treaty did not help the Canadian farmer in any respect, as we were then mostly on an export basis. When it became likely that it could be used to give the farmers an advantage in price, the duty was immediately taken off and the raisin manipulation inaugurated for our tariff-fed manufacturers.

I want to tell the Minister of Finance something which no doubt he already knows. He cannot negotiate a treaty between two highly protected countries like Canada and Australia without placing a burden on one class for the benefit of the other. The Australian treaty from the very first was a class measure for class advantage alone. Our farmers, I believe, have been confused more over the Australian treaty than over anything else. The government had it established before its significance was realized by the people. The Conservative party even before the exit of the Right Hon. Arthur Meighen advocated protection for our agriculturists engaged in special lines of agriculture. A great many of our farmers were thereby led astray on this question, being persuaded that immediate benefit could be derived from protection on their particular products. Protection by increasing the cost of production had already reduced our farmers to a point where they could not make ends meet on the farm. Taking advantage of this, protectionists persuaded many farmers that there should be a high duty on butter, and that the Liberals had by the Australian treaty ruined the dairy industry. The truth is that the Australian treaty was only one feature of the game of privilege that had already ruined the small farmer and dairyman, but like a drowning man grasping at a straw many of our farmers grasped at the illusion of a tariff. Even did a duty on butter give for a time a higher price, the farmer in the end would have to bear the cost. Now the treaty is to be abrogated and one fair to all classes negotiated. Another illusion! If the abolition of the Australian treaty implies protection, it also implies free raisins, or at least the old half-a-cent rate. This was the very foundation, I say again, of the Australian treaty, and the policy of this government is well defined by the fact that there is now to be a duty on butter and raisins which will materially raise the cost of living to the worker. The duty on raisins was imposed to give freer entry in the Australian market to the products of our manufacturers, and the increased duty now imposed on butter is for the benefit of the great creamery and dairy merger lately formed.

One may wonder why the government are able to impose these measures on the public at large, but this wonder ceases when it is realized that every source of information available to the public to-day is controlled by the protected interests of this country. I want to say from my place in the house to-night that for many years past nothing worth while has come from any economic professor in any of our colleges or universities across this dominion. Why is this? Why the absolute silence of those men who are paid to study these questions and to give a lead not only to our politicians and statesmen but also to the public at large? Every magazine and newspaper to-day belongs to these protected interests. Why is it they see it is so necessary to control the sources of information in this way? Why should these measures be imposed upon the people to the extent that wealth is being concentrated more and more each year in the hands of a few people?

I want to give a few figures taken from the Canada Year Book of 1929. The total estimated population of Canada last year was 9,519,220. Of this number only 129,663 had incomes sufficient for income tax, or 1·36 per cent of the whole population. On incomes from $2,000 up to $30,000 the income tax paid was $11,538,950, or 46·54 per cent of all the income tax collected. This was paid by 128,293 persons, or 98·94 per cent of all the income tax payers. On incomes over $30,000, there was paid $13,254,448, or 53·46 per cent of the total income tax collected. This was paid by 1,370 persons, or 1·06 per cent of those subject to income tax. These figures go to show the policy we are following is the policy of the concentration of wealth and power. It is time the common people took their politics into their own hands, or that statesmen had some consideration for the workers as well as for those who are already rich.

Mr. EDOUARD LACROIX (Beauce) (Translation): Mr. Speaker, my comments will be brief. I shall confine my remarks to a few items of the budget which was brought down in the house on May 1.

First, I wish to thank the right hon. Prime Minister (Mr. Mackenzie King) for having fulfilled his promise to revise the tariff.

I also wish to heartily congratulate the hon. Minister of Finance (Mr. Dunning) for the splendid budget he brought down last week and which will remain a memorable event in the public records of this country. I want to state that I approve entirely of this budget.

All classes in this Dominion will benefit by this budget, however, since the riding I represent is made up almost entirely of farmers, I shall especially mention the excellent results which the farmers will derive from it, and the clauses intended to protect them.

The reduction in the sales tax of 50 per cent must first be mentioned. This affects both those who make large and small purchases. This tax increases greatly the cost of living. Let us hope that in a near future the government will find it possible to abolish it completely.

The customs duty on farming implements has been reduced; that on tea is now abolished. If we consider the large consumption of tea in Canada, we can realize how important it is for the consumer to have this article on the free list.

The abolition of these duties together with the decreasing of the sales tax will have the effect of lowering considerably the cost of living.

There is, sir, a certain clause in the budget upon which I wish to especially draw the attention of the house; the one which gives Canadian farmers protection by imposing a customs duty of 4 cents per pound on butter imported from British countries, notably from Australia and New Zealand, and 14 cents for butter imported from countries which have a prohibitive tariff against us, such as the United States. The tariff on potatoes is most important. According to the present budget, should the neighbouring republic impose a duty of 90 cents per bushel on Canadian potatoes we demand the same customs duty on American potatoes, this protects us entirely against the importation of this product at all seasons. The same principle also applies to live animals. This will greatly help the farmers and will prevent the importation of animals from countries having a prohibitive tariff against our exports. Fresh and pickled meats, eggs, wheat, wheat flour, oatmeal, are many products of the farm which will equally be protected in the future.

[Mr. Evans.]

The products of the maple tree, which are of the utmost importance in my district, deserve also consideration by the house. It is urgent to assist as much as possible the producer of this national industry. The maple sugar industry needs new markets since the neighbouring republic, by a prohibitive tariff, has suppressed almost entirely the importations of these products. I am glad to note that a measure has been introduced by the government with a view to protecting the products of the maple tree, the measure will come into force about July 1, next. One-seventh of the total production of the maple industry in Canada comes from the county of Beauce. In 1928, Beauce produced about $580,000 worth of maple sugar and syrup. If we take into consideration the fact that this crop is collected in less than a month, we can gauge its real value to the farmer, especially when we know that this crop is collected after the winter work is done, and previous to the spring sowing, at a time when the farmer is not very busy. From 1900 to 1924, this industry was not protected and was, so to speak, at the mercy of the speculator. There was, in certain years, a great demand for this product, other years the purchases were controlled almost entirely by one buyer and the whole crop was sold at ridiculous prices. The new measure, when in force, will provide for the grading of this product and thereby prevent its imitation.

What are we to think of the abuses which have contributed to destroy almost entirely the value of this industry? What are we to think of this merchant or manufacturer who, in the capital of the province where we are at present living, bought each year four or five cars of this product in order to later on sell 25 or 30 cars of the same product adulterated.

The maple sugar producers of my district and those of the province of Quebec have formed a cooperative society, built sugar-houses and installed modern machinery, and their products are at present of a much superior quality. It is therefore absolutely necessary that this new measure be put into force without delay in order that the producer may be amply protected.

We also have, sir, in the county of Beauce another industry that needs assistance, its market is limited. I mean the industry of pulpwood as carried on by the farmer who finds it necessary to do a little lumbering of his own yearly and sell where he can find a profitable market. I see on the orders of the day a resolution, its purport is to help the paper industry in the province of Quebec and it states: that the time has come to prohibit

the exportation of pulpwood to the United States. I wish to emphatically state that I am entirely opposed to this resolution. Allow me to review the present situation and draw my own conclusions. Why are our farmers forced to export their pulpwood to the United States, when there are so many paper mills in the province of Quebec and throughout Canada? It is because Canadian companies are not desirous of purchasing pulpwood from the farmer. For the last 20 years, I have seen with my own eyes farmers obliged to pass, while drawing their wood to the railway station, through the yards of one of our principal paper mills. For twenty years, the farmers have been drawing their wood in winter and passing through the yards of this mill to reach the railway station in order to find a purchaser for their pulpwood. This state of things should not exist in Canada. The owners of paper mills should be sufficiently interested in the farmer's product to purchase at least what passes through their own yards. These same farmers must moreover pay the freight rate of $8 per cord to ship their wood to the United States. The Canadian mills could have purchased their pulpwood for a number of years past, at the rate of $10 per cord delivered. However, instead of purchasing it, they allow it to reach the American mill owners who pay $18 per cord delivered. This state of things could not exist if our Canadian mill owners had at least their future interest as well as that of Canada.

Could not the various provinces of Canada oblige our Canadian mills to take but 80 per cent of their yearly cut on the limits conceded under government licence and oblige them to purchase the other 20 per cent from the farmers, thus enabling them to sell their pulpwood on the Canadian market. Such a regulation would make it possible to absorb our own raw material and further utilize it in this country to the benefit of the whole population. If the Canadian mills were only allowed to take but 80 per cent of their yearly cut on limits under licence, they would be forced to purchase the entire cut of the farmers.

Statistics tell us that Canadian farmers cut about 1,500,000 cords of pulpwood yearly, and furthermore that the Canadian mills absorb over 7,500,000 cords yearly. We therefore know that 20 per cent out of a total of 10 to 12 million cords would more than suffice to absorb the entire output of our farmers. It would therefore be an easy matter for our Canadian mills to create a market for the farmers' needs. Thus would we prevent competition by our neighbours in the paper industry and also retain our raw material, without any disadvantage to our farmers, for should the Canadian mills find it impossible to absorb the farmers' entire output, there would still remain for the latter the foreign markets.

Briefly, I think it urgent to put into force as soon as possible the act relating to the maple sugar industry and I state that I am opposed to any resolution aiming at restricting the farmers from selling their pulpwood wherever they please.

On motion of Mr. Prevost the debate was adjourned.

On motion of Mr. Lapointe the house adjourned at 10.47 p.m.

Friday, May 9, 1930.

The house met at three o'clock.

PRIVATE BILLS COMMITTEE

Third report of the select standing committee on miscellaneous private bills—Mr. Parent.

COMMITTEE ON STANDING ORDERS

Mr. RENE MORIN (St. Hyacinthe-Rouville) presented the first report of the select standing committee on standing orders.

Mr. MORIN moved that the report be concurred in.

Motion agreed to.

CORRECTION—MR. MACDONALD

Mr. J. A. MACDONALD (Richmond-West Cape Breton): Mr. Speaker, I move, seconded by the hon. member for Digby-Annapolis (Mr. Short), that the Clerk of the House be instructed to delete my name from the vote recorded at page 133 of the votes and proceedings. I have already announced to the house that I was not present when this vote was taken.

Motion agreed to.

CALGARY AND FERNIE RAILWAY

Mr. NEWTON M. YOUNG (Toronto Northeast) moved:

That pursuant to the first report of the select standing committee on standing orders, the provision of standing order 102 respecting the first and second readings of private bills be applied forthwith to a bill "An act respecting the Calgary and Fernie Railway Company" and that the said bill be referred forthwith to the select standing committee on railways, canals and telegraph lines.

Motion agreed to and bill read the first and second times.

PENSION LEGISLATION

On the orders of the day:

Hon. H. H. STEVENS (Vancouver Centre): I should like to direct the attention of the Prime Minister to a telegram which I have received and in connection therewith to ask one question. This telegram is from Colonel Daykin, president of the Vancouver unit of the Army and Navy Veterans, and is as follows:

At a meeting of the Army and Navy Veterans last night there were some expressions of anxiety lest parliament should dissolve without dealing with the Pensions Act. I have been requested to ask that you do all in your power to see that this is dealt with before dissolution.

I should like to ask the Prime Minister if care will be taken to have this legislation passed before dissolution, so far as humanly is possible, of course?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I might say to my hon. friend that some person, for reasons best known to himself, has been very busy in communicating with these local organizations and asking them to wire in about the possibility of this legislation being passed, because in this connection I have already had twenty-five or thirty telegrams. This is the more surprising in view of the fact that I took occasion to state in the house two or three days ago that the utmost care would be taken to see that legislation pertaining to the returned soldiers would receive full consideration. Certainly the intention is to have the pension legislation fully taken care of at this session.

DUTY ON VEGETABLES

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): Mr. Speaker, I wish to direct the attention of the government to an article appearing in the Winnipeg Tribune of May 5, 1930, to the effect that a carload of celery had been received in that city on which the duty under the old schedule would have been $189 but on which the present duty was $450. There was also a carload of cabbages received in that city on which the old duty would have been $120 but on which the present duty was $440. I suppose this is an authentic report, and I should like to know whether or not it is true and whether the government can explain the matter.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am afraid that is too much of a mathematical problem for me. I will have to leave it to the minister (Mr. Euler) to explain when he comes in.

RELIEF TO SWEDISH IMMIGRANTS

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, according to a despatch appearing in this morning's Gazette, 400 Swedish immigrants at present unemployed in Winnipeg are appealing to their homeland for immediate relief. It is obvious that this is a very bad advertisement to have appear in the European papers with regard to one of the best classes of citizens we have. I should like to ask the government what they propose to do in the matter of relief for this large number of Scandinavian immigrants.

Hon. CHARLES STEWART (Acting Minister of Immigration): The article referred to by my hon. friend has not been brought to the attention of the government, but I will ask the department to ascertain what authority there may be for the report.

RADIO BROADCASTING

PROPOSED CANADIAN PACIFIC RAILWAY BROADCASTING STATION

On the orders of the day:

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): Mr. Speaker, yesterday the hon. member for Bow River (Mr. Garland) wanted to make sure that no embarrassment would be created in regard to the radio broadcasting situation in Canada pending consideration of the report of the Aird commission. I want to give the assurance to the hon. member that as long as I occupy my present position I will take every precaution not to do anything which might complicate the present situation and prevent parliament from dealing with the matter as it may see fit when it comes up for consideration.

FISH INSPECTION ACT

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the house go into committee on Bill No. 134, to amend the Fish Inspection Act.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

On section 1—Application of act.

Mr. CARDIN: Mr. Chairman, the object of this amendment is to remove the doubt

which now exists as to the interpretation of this section. It is contended that the fish containers cannot be inspected before they are used, so we are asking that the act be amended in order that the officials will have the right to inspect containers before the actual packing is done.

Section agreed to.

On section 2—Extension of application of act.

Mr. CARDIN: This section provides that similar provision be extended to fish oils and their containers. Previously, the inspection of fish oils was carried on under the Inspection and Sale Act, which is administered by the Department of Agriculture, and it is intended to bring this inspection under the Fish Inspection Act.

Section agreed to.

Section 3 agreed to.

On the title.

Mr. ERNST: Mr. Chairman, I did not catch the purport of the explanation given by the minister regarding section 1. I realize that this section has been agreed to, but as I read the section, where a container is found to be faulty before being used, prosecution would follow. I doubt very much whether the proposed wording would meet the situation. I believe I had the honour of trying the case which brought about the change in the section.

Mr. CARDIN: The matter was submitted to the Department of Justice and we were told that this provision would meet the situation.

Mr. ERNST: I have no doubt that the section was submitted to the Department of Justice. If a package is inspected before use and found to be faulty, I doubt very much if successful prosecution could be carried out under this section.

Mr. CARDIN: The word "intended" could be added.

Mr. ERNST: I make that suggestion to the minister, because, as I say, I have had experience in this regard.

Mr. CARDIN: I would be quite agreeable to meet that suggestion.

Mr. ERNST: I think the words "or intended to be used" should be added.

Mr. CARDIN: I shall be glad to do that. I move, Mr. Chairman:

That this section be amended by adding after the word "used" in the sixth line of section 1 the words:

"or intended to be used."

The CHAIRMAN: There should be a motion to reconsider the section.

Mr. STEWART (Edmonton): I move that section 1 be reconsidered.

Motion agreed to.

Amendment agreed to.

Section 1 as amended agreed to.

Title agreed to.

Bill reported, read the third time and passed.

BIOLOGICAL BOARD ACT

INCREASE OF MEMBERSHIP FROM FIVE TO SEVEN

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to provide that the number of members who may be appointed by the minister to the Biological Board of Canada, under the provisions of the Biological Board Act, be increased from five to seven.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. CARDIN: Mr. Chairman, the present membership of the biological board is five, which includes one representative from British Columbia and one from the Atlantic coast. It has been suggested that two representatives from each of the coasts should be on this board.

Mr. SHORT: One of the added members will be from Nova Scotia and one from British Columbia, is that it?

Mr. CARDIN: Yes, that is the idea.

Resolution reported, read the second time and concurred in. Mr. Cardin thereupon moved for leave to introduce Bill No. 137 to amend the Biological Board Act.

Motion agreed to and bill read the first and second times, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Constitution of the board.

Mr. STEVENS: Will the Chairman read the section?

The CHAIRMAN: This section reads as follows:

Section 4 of the Biological Board Act, chapter 18 of the Revised Statutes of Canada, 1927, is repealed, and the following is substituted therefor:—

"4. The board shall consist of seven members appointed by the minister, and one additional member appointed by such universities, to be named by the minister, as may engage in the work of biological research."

Mr. STEVENS: What I am going to speak of now does not apply directly to this clause, but the minister will, I am sure, be glad to answer the question. About a year ago I spoke on the question of carrying on the work of the biological research board. There was passed by a meeting, I think in Vancouver, of representative organizations interested in the fish business, a resolution reading as follows:

Whereas the scientific research conducted by the biological board in British Columbia is considered to be of vital importance to the fishing industry, and also of great value in the formulation of the regulations of the department, it is with much concern and apprehension that this meeting learns of the reduction of $27,000 in the appropriation for the current year, and it is the unanimous request of this meeting, representative of all phases of the industry, that the amount deducted be made available for the carrying out of the valuable and important projects as planned, during the current season.

I understand there has been a reduction in the estimates of the money available for this very important research work. May I ask the minister whether that situation is to be corrected this session so that the projects planned during the past year or two by this board as a result of its scientific research, may be carried out.

Mr. CARDIN: The officers of the department inform me that this is not going to mean any important curtailment in the work of the biological board.

Mr. STEVENS: The minister has not perhaps quite caught my point. I said that it did not apply exactly to this clause. It deals with the reduction in the main estimates. Is there, as a result of that reduction, to be a curtailment of the development?

Mr. CARDIN: Certainly not.

Mr. SHORT: In the appointments to these two positions will every care be taken to see that men possessing a thorough knowledge of the fishing industry will be chosen and that men will not be appointed because of their political affiliations?

[Mr. Stevens.]

Mr. CARDIN: My hon. friend may be assured as to that because we are going to accept the representations of the industry itself.

Mr. QUINN: Can the minister say whether the work of the biological board has increased so much that it is necessary to add two more men to it?

Mr. CARDIN: The members of the board themselves made that representation to us and they felt it would be more advantageous, in order to include the industry, to have four representatives instead of two on the board. The recommendation came from the members of the board itself on representations made to them, I am sure, by the industry.

Section agreed to.

Bill reported, read the third time and passed.

ROYAL CANADIAN MOUNTED POLICE

PROVISION FOR READJUSTMENT OF PENSIONS

Hon. ERNEST LAPOINTE (Minister of Justice) moved that the house go into committee on Bill No. 132, respecting the Royal Canadian Mounted Police.

Motion agreed to and the house went into committee—Mr. Johnston in the chair.

On section 1.—Readjustment of pensions of officers and constables retired to pension prior to 31st May, 1924.

Mr. BENNETT: The minister was good enough to supply me with a sheet showing those who would be affected by the change. The next morning I received a telegram from a representative of the old mounted police organization indicating that the measure was not what had been expected; that it went only part of the distance that had been hoped for. I looked into the matter again and I realized there was something in that contention. Members of the force who had been retired on pension prior to a date fixed in the bill find themselves receiving no consideration. The survivors of this class are very limited in number. In other words the benefits are limited to a very small class and a number of members of the old force who retired under the provisions of the law as it existed prior to the date mentioned in the bill, receive no additional benefits. They contend that if these benefits are extended as they are being very considerably to those who retired within the last ten years, it is quite unfair that those who retired 15 or 17 years ago on less favourable conditions should not be considered especially in view of the character of the

service they rendered in the pioneer days. To be perfectly frank I believe, on looking into the matter, the contention is very sound. The number is limited and is becoming fewer more quickly than in any other class.

Mr. LAPOINTE: The old members to whom my hon. friend refers were looked after in 1925 or 1924. All the rates of pension granted to those old men who had served in the force and who had retired at a time when the pension was very low, were readjusted and those men were granted pensions based on the rate of pay prevailing in 1919. I think parliament was satisfied at the time and I never before had a bill go through the house with such commendation as I received on that occasion. I have under my hand a list of those old pensioners with the rate of pension they were receiving prior to the legislation of 1924 and the rate of pension they have been receiving since. As a matter of fact the present rate of pension is two and in certain cases three times as much as they were formerly receiving. For instance, one man who had a pension of $328.50 has since the legislation of 1924 been receiving, $766.50 and the others are in the same proportion. This bill deals with a special class.

In 1919, under a statute which was passed that year, the governor general in council was authorized on account of the high cost of living due to the circumstances prevailing at that time to grant a bonus, in addition to the salary, to the men of the mounted police. That bonus granted in 1919 was renewed every year until 1924. In that year, a new rate of pay was adopted which incorporated with the salary the bonus, which had been paid as an act of favour since 1919, and the new rate of pension since 1924 has been based, of course, on this new rate of pay which included the bonus. The men who had been receiving that bonus since 1919 and who retired between 1919 and 1924 were not granted a pension based on the bonus as well as the salary, and this amendment is for the purpose of counting for pension purposes the bonus which they received during those years as part of their salary. I think that is only fair.

Mr. BENNETT: Oh yes.

Mr. LAPOINTE: But to go back and increase again the rate of pension of the older members of the force who really have been receiving a substantial increase since 1924 does not seem justified because they never received that bonus.

Mr. BENNETT: The only point was that this gentleman seemed to think that a limited number of them have not received the treatment which they had expected, but I am frank in saying to the minister that the correspondence which he and I had in connection with the matter related to the measure which is now before the house. That is according to my memory; I have not my file here; I wrote the minister from Calgary. This amendment is merely to convert the bonus into salary for pension purposes.

Mr. LAPOINTE: Exactly.

Mr. BENNETT: And that is all. The limited number that I thought were affected were dealt with to some extent by the legislation of 1924.

Mr. LAPOINTE: Yes.

Mr. COOTE: May I ask whether there are any pensions payable to widows of members of the force other than officers?

Mr. LAPOINTE: No.

Mr. COOTE: Then before the bill passes I want again to bring to the attention of the minister the case of the widows of some of the privates in the mounted police force. I know this matter was taken up with the minister, by the mounted police and others last year. May I draw to his attention again one case which will, I think, bring out very clearly the point which I have in mind, and that is the unfairness of the present pension provisions so far as the widows of privates are concerned. The widows of officers are pensioned but the widows of the non-commissioned officers and constables are not pensioned, and I fail to understand why the minister when he was bringing in this bill to amend the act did not make some provision for the widows of the non-commissioned officers and men. There are not many of them, and it would not cost the country a great deal to take care of them.

Here is the case of Mrs. Shaver. She is the widow of a Sergeant Shaver who died from pneumonia contracted through exposure on duty some years ago. The sergeant had thirty-three years service in the Northwest Mounted Police and was entitled to pension long before he died. I quote:

> Mrs. Shaver is very run down and has to go into a hospital as soon as there is a vacant bed. She has allowed herself to get run down by not taking regular meals, trying to save her money, as she has been out of work for the past four months. I was wondering if the R.N.W.M.P. Veterans were doing anything for widows of ex-members of the force. I feel that Mrs. Shaver is a very deserving case. I know you know her case as well as I do, and I am sure she will appreciate anything you can do for her towards getting her a pension. I do not know yet which hospital she will be going to.

When this case was brought to the attention of the minister last year, in reply to my letter to him he sent me a copy of a letter which he had written to the hon. leader of the opposition in regard to the matter, from which I wish to quote briefly:

> Unfortunately there is no provision in the Mounted Police Act authorizing the payment of any pension to the widow of a non-commissioned officer or constable of the force, who is either qualified for pension by length of service, or who was in receipt of a pension at the time of his death, and it would be necessary to introduce legislation to provide for pensions to widows of non-commissioned officers and constables, and I have had this under consideration for some time.
>
> The widows of officers are provided for in the Police Act, and they are entitled to receive a pension equal to one-half of that to which the late husband was entitled, or was in receipt of at the time of his death. Small compassionate allowances are also granted to the fatherless children. The officers, however, contribute to the officers' pension fund an amount equal to five per cent of their salary. The non-commissioned officers and constables make no contribution to their pension.

The minister here draws attention to the fact that the officers contribute 5 per cent of their salary to a pension fund and that the non-commissioned officers and constables make no such contribution. That is the only point apparently which he raises in defence, perhaps I might say, of the policy of the department, in making a distinction between the wives of officers and the wives of private constables. It seems to me that that is too small an amount to be taken into consideration in discussing a matter of this kind. As the minister himself stated a year ago in this letter, he had this matter under consideration, and to quote his own words, "Unfortunately there is no provision in the Mounted Police Act authorizing the payment of any pension to the widow of a non-commissioned officer or constable of the force." I want to ask the minister if he will not even at this late date amend this act so that these few widows might be pensioned. I think it is a reflection on the authorities in this country and on the country itself that the widows of these old veterans are not pensioned. There are not very many of them, and it would not be very difficult for the minister to make provision for them. As the act stands at the present time, it seems to me that there is a clear case of discrimination between the widows of officers and the widows of non-commissioned officers and constables. I am going to make a plea to the minister to amend this act so that these few widows who are still with us might be pensioned.

Mr. LAPOINTE: My hon. friend has himself indicated the distinction between the case of the officers and of the men. The officers contribute a substantial part of their salary for the purpose of creating a pension fund, just as the civil servants do under the Civil Service Act, and their widows receive part of the pension the officer would have drawn. In both cases there is a contribution. But the non-commissioned officers and constables in the mounted police force make no contribution for pension. My hon. friend says that this would involve only a few. I would point out that it would involve all those who will become widows in the future. It would not be a special provision to cover just the present cases, but would be permanently in the law and would apply to all widows in the future. I wonder whether a pension system could not be devised to cover the widows of the non-commissioned officers and men. Of course, the men are not receiving a very large salary and I do not know whether they would be willing to agree to a certain deduction from their salary toward the pension fund. If we did not do it that way, we would certainly be creating a precedent. It would be a new system altogether, and it may be a case in which such a new system should be adopted. I am quite willing to study the case, but it will have to be dealt with by special legislation quite independent of this bill.

Mr. WOODSWORTH: I want to support the position taken by the hon. member for Macleod (Mr. Coote). It does not seem to me that the minister's answer is fully satisfactory. It may very well be that we have to create a precedent in doing this; but why not create it if it is right? It is true that in the past the private members of the force have not been contributing to such a fund. But why not have the fund established? If their pay is not sufficient at the present time to contribute to the fund, it may be necessary to raise it. If it is necessary, it would seem to indicate that in the past they had not been paid sufficient to enable them to contribute to such a fund, in which case it is only reasonable and just that the pension should be paid whether they contributed or not. The commissioned officers do not contribute the whole of the amount which they receive in pensions, but it is presumed that they get sufficiently high pay to enable them to contribute to the pension fund. If we have been paying the privates too low a salary, it is only doing them justice now to take care of their widows in a respectable sort of way. I confess I do not like to have legislation of this character brought forward again and again. We had another measure before the house this session of the same character with regard to the pen-

sions of non-commissioned officers' widows. It is of the same character—class legislation. It may be that the officer should have higher pay than the private, but I see no reason whatever that provision for widows of privates should not be made just as much as provision for the widows of non-commissioned officers. It is no use saying on this particular point that it will be given consideration in the future. It seems to me that when we are making provision for widows in this bill this is the place to deal with the point raised by my hon. friend from Macleod; and, since as he says, only a few widows are involved, let us take care of them now, and in future make some provision for the payment of pensions, if that is necessary. I do not think that we should let this opportunity slip by and allow a certain number of this class of people to be neglected.

Mr. ROSS (Kingston): Mr. Chairman, I desire to support this request. I think the minister and the house will remember a few days ago we had a little discussion on a similar matter connected with the Militia Pension Act. As long as any minister introduces amendments to this act to deal with a few cases we shall have petitions from those who are not taken care of. The minister knows very well that the application for an increase of pension in regard to the mounted police has brought forth demands from the old permanent militia force officers who have retired and are living on a very small pension. Those of us who have served at all know that the non-commissioned officer and the private are the men upon whom the success of our work is often dependent, and the way we have treated them in the past does seem unfair in that no pension has been given to that class which perhaps deserves just as much as the officers for the services they have rendered. I think the reputation of the mounted police force has been built up largely by the quality of the non-commissioned officers and privates. I should like to see this case considered favourably by the minister. I have no doubt whatever that it will bring demands from other sections of the forces, but the mounted police of the west have done just as much to put Canada on the map as any other section of our forces. Undoubtedly much of the good work accomplished in the past was due to the non-commissioned officers and privates, who, stationed at solitary posts, rendered magnificent service to this Dominion.

Mr. LAPOINTE: Of course, the men are receiving a pension.

Mr. COOTE: I am making an appeal to the minister on behalf of the widows of the non-commissioned officers and men who served in western Canada in the pioneer days. The work which they did for the Dominion is not fully realized by people living in eastern Canada; but the testimony in their behalf in western Canada is almost universal. I am sure that the great bulk of the police work in western Canada was done by this very class of men, the non-commissioned officers and men. I am not trying in any way to detract from the record of the commissioned officers, but upon these non-commissioned officers and privates fell the brunt of the work of facing blizzards and going out on unknown trails to keep order among the Indians in the early days. Those men endured great hardships, and their pay was very small. Indeed, it was so small that any of these men who were married could not save anything for their wives. It is certainly a reflection on this country that no provision has been made for them. It may be that the matter needs consideration as to whether the privates and non-commissioned officers now in the force should be made to contribute, in part, to a pension fund if their widows are to be pensioned. But I think we might go back and deal with the widows of these old members of the force. That is the point I would emphasize. Before this bill proceeds further, I would like to ask the minister what is the pay of non-commissioned officers and privates now and how long it has been at the present rate.

Mr. LAPOINTE: The present pay has been in effect since 1924.

Mr. COOTE: What is the pay for a constable or non-commissioned officer?

Mr. LAPOINTE: I have not got the information here.

Mr. COOTE: I am asking for the information for the reason that if we knew the pay these men received the majority of the members of the committee, would, I am sure, be convinced that it was insufficient to enable them to save very much. If we cannot get the minister to amend the act to-day, I should like him at least to assure us that the matter will be carefully considered and that he will make a statement to the house at an early date.

Mr. LAPOINTE: I do not think it is altogether fair to say that we have been treating the mounted police in a parsimonious way. I could show my hon. friend letters and telegrams expressing gratefulness for the treatment which has been accorded them.

An hon. MEMBER: When?

Mr. LAPOINTE: In 1924 and even since. As I said, when the bill came into committee the pensions were doubled and in many cases they were increased to three times their original size. The salaries have also been increased and so far as the constables or privates are concerned, they receive a pension although they do not contribute to it.

Mr. BENNETT: Their widows do not.

Mr. LAPOINTE: I admit their wives do not but the difference is that the officers are paying a contribution to the fund and that is probably the reason why their wives are receiving a portion of the pension which is granted to them. After all, there are other public servants and if this principle of granting pensions to widows of public servants is adopted, even without any contribution on the part of those public servants, it would extend far beyond what my hon. friend has in view. The leader of the opposition (Mr. Bennett) knows that there are, for instance, many widows of men who have been judges in Canada, and at the present time those widows are absolutely destitute; that applies in some cases to the widows of men who were on the bench of the highest court in the land. They are asking for pensions and those cases are worthy of sympathy. However, it is difficult to grant their demands and it is even more difficult to know where to draw the line. In the case of civil servants there is a contribution of part of their salaries for the purpose of creating a fund which will be beneficial to them on their retirement and will benefit their widows. I shall certainly lay before my colleagues all the representations which have been made in connection with this bill. As I said, it is merely for the purpose of correcting an anomaly and it is not intended to create a new condition. The purpose is to give to constables as well as to officers who are retired during a certain period the benefit of the pay which they were receiving both as to bonuses and as to salary. Of course the same applies to widows of officers who were retired during the same period and who will receive the benefits to which they are entitled because of the salary the officers were receiving at the time of their retirement.

Mr. ADSHEAD: May I draw the attention of the Minister of Justice (Mr. Lapointe) to the difference between the pensions under bills 132 and 133, the latter applying to judges. After a certain age the judges are continued on full pension for all of their salary. I do not know why one civil servant should be treated in one way and another in another. If judges of the land can retire at a certain age without contributing anything towards superannuation, I cannot see why they should receive full pensions at the end of their service. The civil servants have to contribute to a fund and I do not see why the discrimination should be made. I think the hard work of these old pioneers, many of whom I have known and who have kept order in Canada, should receive better treatment.

Mr. LAPOINTE: All this was considered when we increased their pensions to two or three times what they had been.

Mr. COOTE: I appreciate what the minister did in 1924 and I appreciate his action in bringing in the bill. I do, however, want to protest against leaving without pension the widows of non-commissioned officers and private constables; I refer particularly to those who served in the west twenty or thirty years ago. To my mind there has been discrimination against them; no provision seems to have been made for the widows of former members of the force.

Mr. BENNETT: I would not take up the time of the committee with respect to this matter were it not for the fact that some questions have been raised which are of great importance. The right to pension in the absence of a statutory provision to the contrary arises by contract only, and when any man or woman becomes a servant of the state it is part of his or her contract that a pension shall be granted under certain circumstances. If they receive that pension they have no cause for complaint; it seems to me that that is fairly obvious. That is one of the reasons why men and women are sometimes willing to take smaller salaries than they otherwise would accept in order to secure a position which may enable them to have a pension at a given time. For instance, a judge may leave a lucrative practice because he knows that at the end of a certain period he will receive a fixed revenue per annum for the rest of his life. This is a fact which was stated on more than one occasion in this house by a former Minister of Justice who had been a judge. In days gone by, a man who joined the Northwest Mounted Police was informed by the terms of his contract that if he served a certain number of years, through good behaviour, he would be entitled to a fixed pension for the rest of his life; that contract has been kept. In this country, so far as the right of the widow to a pension is concerned, in all cases within my knowledge it has been predicated upon contributions being made by the husband. I know nothing of cases where pensions have been allowed in

the absence of such contribution. The cases to which the Minister of Justice referred are striking illustrations of that. I mentioned to the minister on one occasion the cases of three or four widows I knew; they were the widows of judges who had educated their families and who had had just sufficient money with the limited salaries that judges secured to be able to live decently and perhaps to leave nothing behind them. There was no right to a pension on the part of the widow and there was no right to a pension on the part of the constable's widow. There was no contract between the judge and the state that his widow would get a pension; neither was there a contract between the constable and the state that the constable's widow would receive a pension, so that they stood in exactly the same position. On more than one occasion I have had to consider the matter with a great deal of care because I did not wish to become a party to selecting one person as the recipient of a pension in the absence of any given principle; being unable to apply a principle to the allotment of pensions, the matter gets down to a discriminatory level. That may not be a pleasant expression to use, but it is a fact. In connection with the police force, the minister was good enough to say the other day that I had brought to his attention the cases of several who would be affected by this legislation. The principle is that prior to a certain date they receive a salary with a bonus, and during that period of time a number of them take their retiring allowances or pensions on the basis, as the statute then stood, of the salary without a bonus. Subsequently bonus has been added to the salary as a permanent yearly compensation. This bill places those who retired after that date on a par with those who retired prior to it; it affects a limited number of persons. In 1924 the whole Pension Act was changed and constables, staff sergeants and sergeants found their pensions increased from 100 to 150 per cent. That was an adjustment based upon the application of the principle that having increased the basis for pension in the contract for service between a certain number of people at a given date, it was in the interests of fair play and even justice to all that those who had served in days gone by should have their pensions adjusted on the same principle. I was directing the attention of the minister to some of those who apparently felt that they were not affected in either case, and looking at the list I cannot see the names of the men who have been bringing the matter to my attention. I am going to endeavour to obtain further information, because obviously it cannot be dealt with in this bill in any event, and I shall write the minister accordingly.

I should say to my hon. friends from Macleod and Winnipeg North Centre that I have felt the very serious character of the principle involved in endeavouring to provide pensions for widows where no contributions have been made to the state by their deceased husbands. The Minister of Justice has brought to the attention of this committee one case, and I know of at least four or five others. How can you say that parliament shall single out widows of a particular class for special treatment without touching them all? That has been my difficulty always. I should suggest that hereafter in the contract of service for constables in the police, they be enabled to make some contribution so that in the event of their death a portion of that pension may be continued to their widows. That is the only solution I can offer to the minister and I think on reflection it will be the only solution that any of my hon. friends to my left could offer, for certainly we do not want to have the members of parliament bombarded with requests and the government on the eve of an election or at some other time, asked to yield to pressure in cases which may be very deserving and which may involve extreme hardship but which will necessitate the departure from a principle.

My hon. friend the Minister of the Interior and I were just talking about a particular case which we have had in mind for many years, and the only method by which that case could be dealt with would be to bring in a bill naming that person, who is an old pioneer. He never availed himself of his statutory rights; he never was in a position to do so because he did not serve for a sufficient number of years to secure them. Therefore I think this committee, despite the fact that it does seem to be a matter of very great hardship, should remember that when we are asked to provide money from the Dominion treasury for specific cases, where there has been no contribution by the husband or by anyone, we are opening the door to a bombardment of more cases than I should like to think of at the moment. It gives me a very great deal of difficulty in some instances because of the hardships involved, but in the other hand I think we might fairly amend our contract in the future to provide that hereafter the contributions shall be available for one purpose only, and that is in order to take care of the widow and children by way of pension in the event of the death of the husband. He is assured of his own pension in any case, and if

he is unmarried and does not marry during his period of service, or if his wife predeceases him, the money may be returned at a rate of interest which may be fixed, just as insurance companies under certain forms of annuities provide for the repayment of the money paid in.

I make this statement because this is a matter which has engaged my attention on more than one occasion and which necessitated my saying to the minister last year how strongly I felt about a given case which involved great hardship and which was almost a public scandal, but I could not bring myself to depart from what I believe to be a principle even though the person concerned was the widow of one of the most eminent citizens of the country.

Mr. COOTE: I have only one further word to add. The contribution of these men in many cases was the contribution of their lives in the carrying out of their very arduous duties, and these widows have been left. In any case I do not believe there was anything in the act at that time which would have permitted these men to make a monetary contribution, so there was no way open to them to provide for a pension to their widows.

Mr. WOODSWORTH: The leader of the opposition has stressed the idea of a contract. As a matter of fact it is much easier for judges and those in the higher positions of the civil service to secure favourable contracts than it is for the lower classes to do so, with the result that usually pension schemes are provided for those occupying the higher positions long before they are provided for those in subordinate occupations. I think that is true, and furthermore even when it comes to matters of relief the same thing applies. Last year estimates were presented in this house providing for comparatively large amounts in the way of compassionate allowances to the widows of those who had occupied comparatively high positions. Some of us then had to take the position that it was not fair to grant these allowances to those people without granting it to these others. If any deviation is to be made from this general idea it does seem to me that some provision should be made for the widows of those who, in their lifetime, were not in a position to set aside amounts to provide for their dependents.

Title agreed to.

Bill reported, read the third time and passed.

[Mr. Bennett.]

NATIONAL PARKS

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of Bill No. 135, respecting national parks.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Short title.

Mr. STEWART (Edmonton): Mr. Chairman, when the bill was introduced the other day I promised to make a short statement with respect to it, and I shall confine myself to the new provisions of the bill. This bill changes the name of the Rocky Mountain park to Banff park; it has to do with the boundaries of the parks mentioned in the schedule and provides that in future all parks will be known as national parks of Canada. Formerly additions could be made to parks, or new parks created, by order in council. This will not be possible after the passing of this act; all parks and additions to parks will have to be created by act of parliament. The same will apply to deletions from the parks. Perhaps the most important provision of the new bill is that which takes away from the control of the department and the minister the right to grant leases for commercial purposes. Those will have to be secured by the consent of parliament. The other sections provide for regulations for the purpose of regulating and operating the parks under the control of the Department of the Interior.

Section 11 deals with historic sites. Very frequently small areas of ground are set apart for the purpose of commemorating some national, historical event, and these areas will be under the control of a board appointed for this purpose which decides where the monuments or landmarks shall be set up, and what inscriptions shall be placed thereon for the purpose of preserving them from a historical standpoint.

Mr. ADSHEAD: The withdrawal of certain areas from the parks for commercial purposes, say for hydro-electric purposes, would have to be by a special act of parliament?

Mr. STEWART (Edmonton): The addition to as well as the deletion from any park will be by an act of parliament.

Section agreed to.

Section 2 agreed to.

On section 3—Existing parks.

Mr. COOTE: What are the locations of the parks mentioned in the second paragraph of this section?

Mr. STEWART (Edmonton): Fort Howe comprises the old Fort Howe military grounds in the city of St. John, N.B. Arrangements have been completed for turning this area over to the city to be administered as a civic park. Vidals Point park is a small recreational area in the province of Saskatchewan, located, I think, just south of Swift Current. This park, as well as Menissawok park, was set aside for the purpose of providing additional grounds for—

Mr. COOTE: Local parks?

Mr. STEWART (Edmonton): Yes. They are not now required and are being struck off the list of national parks.

Section agreed to.

On section 4—Parks to be public possessions.

Mr. COOTE: Will the minister explain the meaning of the words at the end of the section which are underlined, reading as follows:

so as to leave them unimpaired for the enjoyment of future generations.

Mr. STEWART (Edmonton): With the exception of improvements in the building of roads, the reservation of ground for the purpose of hotels and the construction of wardens' cabins and that sort of thing necessary to carry on the work of the park officials, the idea is to leave the park and the territory included in the park just as nature has left it so that it may be passed on to future generations. Perhaps the explanation is somewhat superfluous, but that is the meaning intended.

Mr. BENNETT: Mr. Chairman, this bill has been permitted to go into committee so that it can be discussed and to enable the minister to have the opportunity of replying to questions. I protest most vigorously against this bill. Nothing is better calculated to increase the life of autocratic powers than such a bill. This house knows perfectly well that what has been done in the case of the resources bills is something which every student of constitutional matters must be opposed to, but this government has stated that they were to be passed willy-nilly and the provinces, not being able to obtain any other bargain, were forced to take what was offered. As far as the provinces of Alberta and Saskatchewan are concerned, those governments would not have accepted, but it was either that or the imperilling of the receipt of our resources. In the province of Alberta there is a park at Banff, one at Jasper and one at Waterton lakes, and in each case there is a part of Canada which is not subject to the provincial jurisdiction. That could not happen in the eastern provinces, as the hon. gentleman knows. Section 7 reads:

The governor in council may, from time to time as he deems expedient, make regulations for,—

That section confers upon the governor in council a legislative jurisdiction similar to that conferred on the provinces by section 92 of the British North America Act. In other words, these parks are to be governed from Ottawa which is 3,000 miles away. A gentleman will sit here and will have an order in council passed by the governor general which will deal with every detail of life of thousands of people. To think of such things being possible in this day! Sir Oliver Mowat thought that he had ended such things, as far as Ontario was concerned. A glance at the succeeding pages of the bill will show the intolerable character of the autocratic power which will be exercised. Do hon. members from the other provinces realize what that means? People went to these areas before the present conditions obtained, but they are not to be permitted to do any act in the ordinary incidence of life without receiving permission. How would the minister like to live under such conditions? How would the members of this house like to be under such restrictions? It is conducive to favouritism and political despotism to a point just short of iniquitous. The population in these parks is enthralled by the terrorism of an official at Ottawa, and they have no recourse whatever. They are dragged up before a stipendiary magistrate, named and nominated by the government, who looks upon himself as an official. There are police officials surrounding him and watching him to see what happens. Then follow the administrative officers, such as the superintendents, who are continually spying out every corner of the park. Consider what one poor resident did at Banff. He painted on a little piece of board a pointing finger with the name of his hotel. Permission had been obtained from the owner of the property upon which he had placed the sign, but the officials pounced upon him and he was forced to take it down. Another man advertised a particular brand of gasoline from his roof, but down it had to come. Then in another place you will find those who have a pull with the government being permitted to do these things. These things are going on and they bring discredit upon this country.

The government is undertaking to carry on this work by regulations made at Ottawa by the governor in council. This is against all

modern tendencies. Indeed in England the Lord Chancellor appointed a commission to investigate this sort of thing and put a stop to it. The Lord Chief Justice calls regulations of this character the new despotism. In this case you have a cabinet depending entirely upon a western representative because, there being no Minister of the Interior now, I suppose the Department of Indian Affairs will be charged with the responsibility of saying how people living in the parks will be treated. Does the minister think this is fair or right or just?

The way in which this is being palmed off on the public is the amusing part. The permanent officials have added to section 4 these words:

So as to leave them unimpaired for the enjoyment of future generations.

This is taken up by the newspapers and propaganda is circulated amongst the people stating that there is to be no commercializing of the parks. The minister himself, after the outcry in parliament against commercializing the parks, visited Spray lakes. He climbed one mountain and I think it took him half a day to go up on horseback. He saw they were going to build a dam at a lake mentioned to make the water available for power. There is a lake called lake Minnewanka with some trees about it, and the government obtains some power there. A dam was put there once by a company with which I was at one time associated. The water in this lake has been raised and it should be raised still higher in order to supply electric current to the prairies when the water in the winter is very low. Oh no, we are to leave unimpaired for future generations the glorious beauties of lake Minnewanka! Is that the minister's conception of the matter? The government themselves have built a power plant there and they have not left it unimpaired for future generations. Having done that, they have built roads; they have not left the country in a state of nature. The trails of the Indians in the early days are not the trails now. Instead of that we have excellent roads.

Mr. LAPOINTE: Roads are quite useful, are they not?

Mr. BENNETT: Yes, but the clause reads:

So as to leave "the parks" unimpaired for the enjoyment of future generations.

Under those words there would be no roads, no villages, no settlements, so that the people might journey into wilderness and gaze upon the beauties of nature, although the government know there are great hotels where hundreds of thousands of people are accommodated during the year and where, if you will, a thousand people can be accommodated on a single night. The government know that the people are living there and that they have made their homes there for generations. These people are subject to this despotism. I would like to see the Minister of Justice have to live under it for ten days and then hear him talk about the glories of this modern free liberalism that is put upon the people. It is substituting for the legislature of Alberta the governor in council.

It is idle further to point out what this means with respect to the parks. The government say: We are going to put it through and no one apparently cares very much about it. Let me come now to the more important point, the question of administration. This is Dominion property which is going to be administered as though it were an island in the middle of a province belonging to a foreign power. That is what it means. Is that right or fair or just? If the government were to try this in Ontario they would see how far they would get away with it.

The next point is this. For some time there has been a citizens' council at Banff which came into being by the action of the department itself. The department said: We welcome the idea of an elected citizens' committee at Banff for the purpose of aiding in the administration of the park. Let me point out how much aid they are. They make recommendations and so long as the latter are in accordance with the ideas of the government officials, all is well. But if the recommendations they make are at variance with the idea of the government, then they are all wrong, and never should have existed. Is such a provision of any value? I submit it is not and before this bill is finally put through I propose to offer an amendment—and I have been working out how it could be introduced—to provide that in those parks where the population exceeds 100 or some other figure that may be agreed upon, the council shall have some powers of municipal government. As the situation exists at present, a man with a family is without freedom in the community. I repeat this is substituting for the legislature at Edmonton or the capital of one of the provinces the governor in council and the officials reflect that attitude of mind that is always expressed in the exercise of power that flows from a governor in council—for the moment I am not talking about partyism or politics—and it reflects the attitude of mind of the enacting power when it is the

governor in council. In other words despotism breeds despotism. Democracy on the other hand breeds liberty and freedom. In this case you have no freedom and no liberty because democratic institutions are denied in the parks and the government substitutes for them the tyrannies and despotism of control by governor in council.

Of course it is impossible for one voice in the wilderness to induce the members of the house to realize how serious the problem is and I know in these days we pay little attention to these matters, although in days gone by the greatest statesmen our country produced made such matters the bases upon which very long and serious campaigns were carried on in order that individuals might enjoy a measure of freedom that is now being taken from them by this legislation. I am doing my duty in pointing this out to the house. It is impossible for me to hope for any redress being given by the government because they denied it to the provinces when the resources bills were being passed. But I say that some day some government may have to repeal this bill, as some day some government will have to amend the resources bills, for you never can create within the boundaries of a province an area that is not subject to provincial control and substitute for that the control, not of the parliament of Canada alone, but of a governor in council, that may make laws which touch the life, freedom, liberty and well-being of every man and woman who lives in that area and with respect to the making of which they have no power or control. The basis of our whole constitution has been the growth of local institutions where the people can control their local affairs, elect their local officials. From that have grown up the provinces and from the provinces the Dominion. Now we say the central authority at Ottawa shall control by regulation the lives of all these people. I ask every thoughtful member of the house to read clause 7 and the regulations that are to be made thereunder and then ask himself how he would like to live with his family under such conditions. It is the negation of every principle that has been developed in the last fifty years of government. It is substituting autocracy for democracy and tyranny for freedom and it does this in the name of leaving unimpaired this great trust that we have and that we call national parks. I can only protest against this and offer suggestions whereby these councils which came into being under a former administration should at least have the right to have their recommendations considered and acted upon if the majority of the people so desire, as would be their undoubted right if they lived within a municipal area such as this is in name if not in fact.

Mr. ADSHEAD: Does my hon. friend mean to imply that the inhabitants have no right to elect their own trustees or school teachers?

Mr. BENNETT: Not a bit. It is all regulated and controlled from Ottawa by order in council.

Mr. STEWART (Edmonton): My hon. friend is wrong. My hon. friend from East Calgary was speaking of schools.

Mr. BENNETT: Schools? Oh yes, they have schools, but that is done by arrangement.

Mr. ADSHEAD: Do they have their own trustees?

Mr. BENNETT: They have power, but that is only done by arrangement.

Mr. ADSHEAD: Have they not the right to do it?

Mr. BENNETT: Not a right in the world.

Mr. STEWART (Edmonton): My hon. friend is wrong.

Mr. BENNETT: They have no right, for the legislation of the province of Alberta under the Resources Act which we passed the other day is made subject to the legislation of this parliament, and it is perfectly clear that this parliament through the provisions of that statute, if it so desired, could establish any sort of institution it liked.

Mr. CANNON: That is, the provincial laws apply unless excluded by Dominion legislation.

Mr. BENNETT: Yes, and with respect to taxation itself.

Mr. STEWART (Edmonton): My hon. friend is wrong.

Mr. BENNETT: What about? I took the trouble the other day to inquire.

Mr. STEWART (Edmonton): My hon. friend is speaking of two different things. Many years ago provincial school districts were set up in Banff and in Jasper park. They are in existence still and will remain in existence until action might be taken by this parliament. There is no power given to the governor in council to change a situation of that kind. If the educational institutions were to be interfered with the Dominion parliament

itself would be the only body that would interfere. I agree with my hon. friend that under the provisions of the act parliament would have that power. That would have to be done here.

Mr. BENNETT: Exactly. That is what I was saying. My hon. friend from East Calgary wanted to know whether or not they had it as a right or as a privilege, and as it stands now I say that this parliament has jurisdiction. That is the point I am making clear, that jurisdiction would have to be exercised by this parliament.

Mr. ADSHEAD: By parliament or by the governor in council?

Mr. BENNETT: By parliament or by delegation to the governor in council. That is exactly what we are doing here.

Mr. STEWART (Edmonton): I want to make it clear that you could not by order in council or by regulations under an order in council deny or cancel the educational rights enjoyed by those citizens.

Mr. BENNETT: The hon. gentleman is not a lawyer, but he will follow this. The statute says:

> By act of parliament of Canada or by any regulation or power authorized by parliament.

In other words, parliament may act directly or indirectly. In this instance parliament is acting indirectly by section 7.

Mr. STEWART (Edmonton): Section 7 specifies by the governor in council.

Mr. BENNETT: But it could do it directly or indirectly. For instance, it deals directly with the appointment of stipendiary magistrates in subsection 4 of section 5. That is entirely new, because the old power has been swept away. As it stood before, the lieutenant-governor at Edmonton appointed the magistrate and the Dominion government paid him.

Mr. STEWART (Edmonton): For a short period.

Mr. BENNETT: Yes, and now the Minister of Justice is to appoint by commission one or more stipendiary magistrates within the park. In other words, the whole administration of justice in any other part of Alberta rests with the provincial authorities, but so far as the parks are concerned, the administration of justice is to be handed over to federal control through its appointees. Subsection 6 of section 5 provides that the governor in council, not the province, may appoint justices of the peace. Section 6 says:

> Lands within the parks shall not be disposed of or be located or settled upon, and no person shall use or occupy any part of such lands, except under the authority of this act or of regulations made hereunder.

That is, no one may get a parcel of land in Banff except under this statute. This is dealing indirectly. That is, there can be no population in this area, no commercial activities. This may all be desirable, but I point out that during the last twenty-five or thirty years very considerable settlements have grown up in these areas and the government have received substantial sums of money for rentals, leases and matters of that kind.

Then you will observe that subsection 3 of section 6 provides:

> No lands within a park, other than those specified in subsection 2 hereof, shall be patented or conveyed in fee.

And yet there are enormous areas in the Banff national park which have been patented —to the Canadian Pacific Railway Company, for one; to the Canadian Anthracite Coal Company, for two; the vast coal lands belonging to a great American company, for three; vast timber areas, for four; and leases within the park that I know of, for five. It is only fair to point out that the townsite of Jasper and the roundhouse and all the terminal facilities of the Canadian National are within Jasper park. I do not know to what extent lots have been sold for I have not inquired, but the whole system of bungalow camps maintained by the Canadian National is within that park. His permanent officials prepared and offered him this bill. He is told that it is all right and he brings it into this house. But look at the changes it makes. Look for instance at paragraph (h) of section 7:

> the granting of yearly permits for—
> (i) the grazing of horses and cattle.

and so forth. All that is controlled from Ottawa. It goes on:

> (ii) the removal of sand, stone and gravel for constructional purposes within a park.

Mr. STEWART (Edmonton): The same provisions were in the old act. There has been no change since 1913. These provisions are taken from the old act.

Mr. BENNETT: Oh yes, but all the words underlined are new. Paragraph (h) also deals with:

> (iv) the use in the parks of water for domestic or railway water supply purposes.

That is the water supply for your family. All that is regulated down here. Paragraph (h) also deals with:

(v) the use and disposal of mineral waters for recreational and therapeutic purposes.

Paragraph (i) deals with:

the establishment, operation, maintenance and administration by the Department of the Interior of public works, and utility services and the use of same within the parks.

and so forth. Paragraph (k) prescribes:

the conditions under which any building, sign, placard, advertisement or other structure may be erected, the design and location of any such structure and the materials of which it may be constructed; the general maintenance and improvement of properties in the parks that have been leased; the defining of zones for residential buildings, business buildings or areas in which only buildings of fire proof or fire resisting construction may be erected;

(l) controlling trades, traffic, business, amusements, sports, occupations and other activities.

You cannot have a game of baseball unless Mr. Harkin says so, and he is in Ottawa three thousand miles away. Do you want to go out and do a little fishing? Oh no.

Mr. IRVINE: Get Mr. Harkin on the radio.

Mr. BENNETT: No, you cannot have a radio within the park unless they so decree. I ask if anyone thinks that is fair. I ask the Solicitor General how he would like to live in the park under those circumstances?

Mr. STEWART (Edmonton): He would be delighted.

Mr. BENNETT: He would, so far as the climate is concerned, and so far as those unfettered conditions of nature are concerned, but when it gets down to the works of man, I wonder how he would like it. A change in the laws may be made here at Ottawa. It is printed in the Gazette, but how do the people there know about it? Surely we should have fifteen or thirty days' notice of any changes. I know men who have been charged with offences because of not knowing of the changes made. I would not take up the time of this committee if I did not feel so strongly about this. The minister knows the present conditions there; he knows the friction between his department and the citizens' council. I had a paper sent to me the other day which I read. They have definite views. The minister has other views because his officials here say so. He does his best to adjust the differences. But local rule, home rule, no sir! In the end these people are going to decide. I wonder if this committee realizes that last summer lessees who had been paying rentals for years for their several pieces of land wanted to put up a few canvas tents for the purpose of housing themselves and their guests during the summer. Were they allowed to do so? Oh no. The picture was not good enough. It was not any interference with the state of nature that was objected to. No, it was the condition under which the tents were to be put up. I think this is an intolerable state of affairs. Once more I say I have no hope of being able to arouse sufficient interest in it here so that the house will take a strong stand against it, but I do not believe that in any country in the world enjoying representative institutions under the federal system would you be able to pass section 7. Imagine what it means.

Mr. STEVENS: Section 8 is worse.

Mr. BENNETT: Of course, as my hon. friend says, it is worse; but 7 is more comprehensive in its character.

Mr. STEWART (Edmonton): This is not the first occasion on which my hon. friend has taken exception to the regulations in vogue in the national parks, but he fails to inform the house that if we are to have national parks, and if they are to be preserved for the purposes pointed out in section 4, we must of necessity have some authority to enforce the regulations, or very soon there will be nothing to leave to future generations. If my hon. friend can work out a scheme by which he can have provincial authority in control of these park areas, and have this parliament vote large sums of money annually for the purpose of beautification and the care and maintenance of these parks, and put the minister and the park officials under the control of the provincial governments, then he will have accomplished a task that no one else has been able to work out.

Mr. BENNETT: If he gets a chance he will do it next year.

Mr. STEVENS: May I ask the minister a question at that point for the purpose of elucidation? I am one of those who are exceedingly anxious to do everything that is humanly possible to preserve our national parks for the people. That is the foundation of my approach to this question. As an illustration and basis for my question let me take Stanley park at Vancouver. It is a large area for a city park, I think 900 acres. It is leased by the Dominion government to the city of Vancouver. The city administers it subject to all the laws of the province. I appreciate the difficulty with respect to large areas.

Mr. STEWART (Edmonton): No, that is not a factor at all.

Mr. STEVENS: Then let us leave that out of the question. Why could not a department of the government administer a park area within a province under the laws of the province, just the same as the city of Vancouver administers Stanley park under the laws of the province?

Mr. STEWART (Edmonton): But my hon. friend forgets that there is no conflict of jurisdiction at all. The city of Vancouver has leased that area, known as Stanley park; it operates and controls everything within the park, and of course administers it under provincial laws. Now, my hon. friend must realize that if the government of Canada were providing the funds to take care of Stanley park it would be a vastly different situation.

Mr. STEVENS: The minister misses the point of my question. The city of Vancouver administers Stanley park and conforms with all provincial laws. The city finds no difficulty in administering the park under provincial jurisdiction. Why could not the commissioner of parks—we will get away from the parliament of Canada—why could not the commissioner of parks, being the lessee, we will say, of Banff park, administer that park under the laws of Alberta, just as Stanley park is administered by the city of Vancouver under the laws of British Columbia?

Mr. STEWART (Edmonton): They do as a matter of fact. But what my hon. friend is complaining about is that when it comes to a question that may be a very vital one, and when the whole administration is federal and always has been, we should be governed by provincial jurisdiction. May I say in passing that we are making no drastic changes in this bill. We have embodied in the Forests and Parks Act of 1913, all the provisions incorporated in the regulations that are to be put in force by order in council. But let me deal with the town of Banff, with respect to the position of which my hon. friend is taking such strong exception. We would have no difficulty in the world, nor would any question arise, were it not for the municipalities created in the park area.

Mr. BENNETT: They are not municipalities.

Mr. STEWART (Edmonton): They are municipalities so far as their population and the necessities of that population are concerned.

[Mr. Stevens.]

Mr. BENNETT: But they are not allowed to organize as municipalities.

Mr. STEWART (Edmonton): That is true; nor do I think they are making any serious complaint about that, for the very good reason that they have no financial responsibilities other than to pay taxes for the carrying on of their schools, which they control the same as any other school district in the province of Alberta. They will continue to control their schools, which are under provincial inspection and control. Does not that answer my hon. friend's objection?

Mr. BENNETT: No. They might have that power taken away from them by this parliament at any time. That is not so as to any other school district in Alberta.

Mr. STEWART (Edmonton): Yes, but in order to do so there would surely have to be some very good reasons presented to this parliament before it would interfere in the jurisdiction of the province over education.

Mr. HEAPS: It would be disallowance.

Mr. STEWART (Edmonton): Practically. I cannot conceive of any parliament doing anything of the kind. Moreover, we have to provide in those parks for the necessary control in order to have some uniformity. For example, we have to provide that the same system of taxation shall apply to the citizens of Banff as will apply in Yoho and Glacier parks in British Columbia, because they are contiguous and the same class of citizens will be affected.

Mr. BENNETT: But the town of Golden and the city of Calgary have not necessarily the same system of taxation, one being in British Columbia and the other in Alberta.

Mr. STEWART (Edmonton): But I am speaking of provincial taxation. British Columbia has income tax, and Alberta has none. But there is no particular objection to the taxation applied. I merely mention it as an example of the difficulties encountered. May I say to my hon. friend that in the United States exactly similar conditions prevail; their parks are national playgrounds; and surely the United States are democratic enough. There is no intention, at least so far as I am concerned, of interfering with provincial laws. As a matter of fact, if we appoint the magistrates—and my hon. friend has not mentioned it, but we take authority to appoint constables as well—their jurisdiction to act is in conformity with the provincial laws, because clearly we are going to pass none.

Mr. BENNETT: No, my friend is wrong there.

Mr. STEWART (Edmonton): With the exception of regulations.

Mr. BENNETT: Exactly.

Mr. STEWART (Edmonton): These regulations deal very largely with the natural resources of the park; in very few instances do they touch the individual. In the town of Banff there is a population of 2,500 people, but not one single individual owns the land on which he is living; he has it on a long term lease.

Mr. ADSHEAD: He owns the improvements.

Mr. STEWART (Edmonton): I am coming to that. I want to get this clear in the minds of hon. members. He leases his land. Could he go to the city of Calgary or the town of Drumheller or anywhere else and put up any kind of structure? All we ask is that reasonable precaution be taken that decent and seemly structures are erected on the property. There is no city in Canada which would allow the indiscriminate erection of tents. There are hundreds of thousands of visitors who come to Banff every year; it is a beautiful little town and it has been made beautiful at the expense of the Canadian government. That government has installed a waterworks system and an electric light system; and they maintain these two systems, as well as the streets of Banff, at no expense to the citizens.

Mr. BENNETT: The citizens of Banff pay for the electric power and sewers supplied by the government.

Mr. STEWART (Edmonton): I say they are supplied at no expense to the citizens of Banff. My hon. friend would not suggest that they should get electricity or water free of charge.

Mr. BENNETT: They pay for it.

Mr. STEWART (Edmonton): I wish to point out that these improvements have all been provided by the government of Canada. As far as I am concerned I can say that certainly the work was all performed before I became a minister of this government.

Mr. BENNETT: These improvements were provided before that time.

Mr. STEWART (Edmonton): They pay a certain rate for the water they use and they pay for their electric lights, but I say to my hon. friend that so far as improvements are concerned I have no doubt he will agree that they are unlike most municipalities. The citizens pay very little for their improvements. Before my appointment as a minister of this government it was deemed wise to give the local citizens some control in the running of their community. They were not created a municipality because it was not deemed wise to create a municipality within the boundaries of the park. If these municipalities grow to such an extent that they are able to pay for an administration of this kind, which is not beyond the realm of possibility, and if their growth does not interfere with the plans of the park, they might very well be given municipal government, and that area might be taken out of the park and returned to the province. I do not believe that conflict arises between the towns of Banff or Jasper and this government any oftener than difficulties of a like nature arise in any municipality controlled by a municipal government.

Mr. BENNETT: In one case the residents of the municipality are in a position to displace their officials, while in the other case, because of complaints, the citizens are subjected to increased tyranny. That is the whole story.

Mr. STEWART (Edmonton): I would not say that the regulations amount to tyranny. The citizens as well as the visitors like to see wild life right in the streets of these towns, and it is desirable that it should be so.

Mr. BENNETT: Wild life?

Mr. STEWART (Edmonton): Sometimes we have difficulty with citizens who are determined to keep dogs. On one occasion a lady appealed to my hon. friend because she had been ordered to tie up her dog.

Mr. BENNETT: One was shot the other day.

Mr. STEWART (Edmonton): She was ordered to tie up the dog because it was chasing the wild animals in the park.

Mr. BENNETT: They were afraid the elk might kick the dog.

Mr. STEWART (Edmonton): If the citizens want dogs they certainly cannot expect to have the wild animal life. If the citizens of Banff and the citizens of Jasper, which latter town is unfortunately a railway centre, were desirous of taking upon themselves the responsibility of running their respective towns and organizing themselves into municipalities, I for one should not object. Much as I would regret to have a municipality of that sort in the centre of a park area—be-

cause it could not remain outside—I frankly confess we have no difficulty; no friction arises anywhere through the carrying out of the regulations which provide for the preservation of the wild life in the parks. On the other hand I want to say most emphatically that a national park could not be controlled by a provincial government; that is unthinkable and it could not possibly be done. The control of a national park must rest with the federal authorities, if they are to be responsible for the preservation and maintenance of these park areas. There always will be friction in the superintendence of these areas, but in the main we get along fairly well. There are persons in the park who raise complaints about restrictions which are imposed upon them but if they were to go into another municipality, even one of a most democratic nature, they would have to conform to the by-laws of that municipality. So far as these regulations are concerned—and I think my hon. friend will bear me out—there has been very little complaint from the citizens' committee or from anybody else. There have been complaints however from some particular individuals who want to use the park for their own personal benefit.

Mr. BENNETT: It is not quite as bad as that.

Mr. STEWART (Edmonton): My hon. friend will agree with that.

Mr. BENNETT: Not quite.

Mr. STEWART (Edmonton): My hon. friend will also agree that there must be some control over the class of buildings erected, and there must be control over the manner in which the town is governed. I am sure we worked quite amicably with the citizens' committees which are elected from time to time to represent the citizens.

Mr. BENNETT: I do not agree entirely with the minister when he says that there is difficulty with the bodies who are interested in the working of the regulations. I do say however that the complaint is not simply that there is friction, because anybody who is familiar with any municipality knows that there are always complaints against the administration of cities by aldermen and mayors. In one case however the citizens are in a position to go to the local city hall and adjust their grievances, while in the city of Banff they are told that the matter must be referred to Ottawa. It is referred to the superintendent of parks at Ottawa and his reply is that he must refer the complaint to the minister. The minister then takes his time in righting the grievance and the result is that there is a considerable lapse of time before the grievance can be adjusted. I wish to make it clear to the minister that I sympathize with him in certain phases of the situation because I realize that it is difficult to administer a property situated so far away. My complaint however is that there is no recognition of the fact that local control is the only way in which successful municipal administration can be handled.

I wish to refer to section 8 of the bill, to which my hon. friend from Vancouver Centre (Mr. Stevens) referred. In subsection 2 (b) of section 8 I find the expression:

. . . . without warrant or other legal process at any time enter and search . . . .

And so on. Under this any settler or any person has power under the provisions of this act or regulation to enter and search any building. Take the case of constables who in some cases delight in the exercise of their power; we know it to be a fact that in places of about 2,500 population where one political group has the patronage of the present government—and I wish my hon. friends opposite to understand that is merely an illustration and may or may not be so—everyone kowtows to the constable. Why is that so? Because he has the ear of the government. The result is that the constable, without a warrant, may make an arrest for a breach of section 8. The regulations are very powerful; a person may do something that is legal to-day, but in view of the fact that a regulation had been passed in Ottawa the day before he is now guilty of an offence. I intend to move now, as I did in the other case, that fifteen or twenty days' notice be given by publication before those regulations can become effective. I refer to any regulations in addition to the ones which now prevail, because we are ratifying and confirming the existing regulations and giving power to grant new ones. It is the theory of the bill that you can administer municipal institutions three thousand miles away, with a citizens' committee which cannot get its grievances redressed unless reference is made to Ottawa. That is the trouble, and when the minister says efforts are being made to remove friction I think he is quite right. I know he is desirous of removing friction, but that cannot be done by refusing to deal with the citizens' committee which has a limited power. When the community goes to the citizens' committee that committee, which unfortunately is without power, can only go to the park officials, who can only transmit the request to Ottawa, where it is dealt with and the decision transmitted back. It was that very complaint which

brought about responsible government in the colonies. England was trying to administer Canada from Downing street, and as conditions exist Downing street was distant from some parts of the empire just about as far as Banff and some of these parks are distant from Ottawa. The home government sent out regulations and said to the colonial governors, "Enforce them." Here we send out regulations to Banff and other places and tell our officials to enforce them. When the people complained it led in this country to something close to civil war.

Mr. STEWART (Edmonton): My hon. friend is wrong; the citizens' committee is always informed of the regulations.

Mr. BENNETT: That is what the minister intends to do, but unfortunately it does not always happen. Look at the letter which was written to the minister by the citizens' committee and which is published in the Crag and Canyon.

Mr. STEWART (Edmonton): I have not received it yet.

Mr. BENNETT: I suppose the minister has so many things to do, with the appointment of returning officers and so on, that he finds it difficult to deal with matters such as this, but the letter was published in the Crag and Canyon. I have it on my desk and I will hand it to the minister.

Mr. STEWART (Edmonton): There are a great many things in the Crag and Canyon which I do not get.

Mr. BENNETT: This letter was sent to the minister and it has been printed also in the Crag and Canyon so that the public might understand the steps taken by the citizens' committee in their endeavour to establish municipal institutions. I regret taking up so much of the time of the committee, because I am really powerless in the matter, but I cannot help thinking that it is my duty to direct attention to the matter, and I believe a remedy can be found. If I had the power I would do it, and I have suggested a remedy to the minister You cannot govern people from Ottawa with respect to local, domestic and municipal matters. There must be a measure of freedom, that authority, coordinated with the federal authority, would bring about peace and happiness as compared with the conditions under which these people now live. Once more I ask the Solicitor General how he would like to live under regulations imposed by irresponsible public authority.

Mr. CANNON: So long as there was no change in the minister I would be satisfied.

Mr. BENNETT: I think that answer aptly explains the whole situation. So long as the citizens bask in the favour of the minister all is well.

Mr. STEWART (Edmonton): Banff has grown very rapidly, as my hon. friend knows, and in reply to his reference to the present administration I may say that I did not hear very much complaint about the administration by the former government. I have had no complaints nor have I heard the citizens complaining very much about the administration of the present government. I do not think the question of who is administering the parks has very much to do with it; it is a matter of principle as to how you are to carry on these recreational grounds known as national parks. If you are going to carry them on under provincial control the best thing for the federal government to do would be to step out of the picture altogether and let the provinces carry on the parks. Then we would have no difficulty, but no one wants to do that. I do not know of any citizen of this country who is interested in the preservation of these parks who wants them to be controlled by the provinces.

Mr. BENNETT: The people of Alberta would like it; Mr. Brownlee and Mr. Anderson both have requested it.

Mr. STEWART (Edmonton): No; Mr. Brownlee did not ask to have control of the parks; his request was that he be given control of the minerals within the parks.

Mr. BENNETT: And to bring them under provincial laws.

Mr. STEWART (Edmonton): He wanted control of the mineral development within the parks. We have said that these areas, so far as may be humanly possible, shall be preserved against commercial exploitation. My hon. friend has not yet had the administration of the parks.

Mr. BENNETT: Yes, I administered them for three months.

Mr. STEWART: (Edmonton): You did not have very much trouble during those three months.

Mr. BENNETT: I had a great deal of trouble.

Mr. STEWART (Edmonton): You did not have many very serious matters to disturb you. My hon. friend is making a mountain out of a molehill. These communities will be

under provincial laws, administered it is true by the federal authorities. If the citizens of these two municipalities are desirous of forming a municipal government and accepting all the responsibilities which will arise under it there will be only one thing to do. We will have to come to parliament and set aside the area on which they are established. That is all that could be done, because this government has no laws under which they could operate. We should have to pass a code and make a Dominion law for the purposes of administration. We are not proposing to do that.

Mr. BENNETT: You are doing it by regulation.

Mr. STEWART (Edmonton): But the law under which it will be administered will be the provincial law except that we have the power to supersede it if we so desire.

Mr. BENNETT: The whole administration is federal, and the administration is by regulation, not by provincial law. My hon. friend has said that these towns are growing and that the lands are leased. He is quite right, but there are properties at Banff, in addition to the Canadian Pacific Railway hotel, which are worth $100,000. When the late governor died I remember seeing the appraisal of his estate and the property at Banff was listed at something over $100,000. The government has been selling lots under twenty-one year leases, which can be renewed for a further period of twenty-one years making forty-two years in all. If you lay out a townsite and sell lots to people I think you must realize you are not maintaining a park in its natural condition but are assuming certain responsibilities which otherwise would not arise. The minister must not take my observations as being directed against him, although I think some of the administration, owing to political circumstances over which perhaps he has no control, has been very difficult.

Mr. STEWART (Edmonton): I would not raise that question, if I were you.

Mr. BENNETT: I am raising it, and I say there is a certain political control exercised there by a gentleman who says he has the patronage, and men can only work in the park if they have his approval. That park belongs to the people of Canada, not to that gentleman or to this government. The money is not provided by that gentleman or this government, but by the people of Canada. We might as well understand that thoroughly.

[Mr. C. A. Stewart.]

Mr. CANNON: But there has to be some local control.

Mr. BENNETT: That is the point, and there is none. The minister knows I am objecting to the general principle of administration by regulations that give no opportunity or scope for local control.

Mr. STEWART (Edmonton): With respect to the individual my hon. friend has mentioned, I do not know who he is.

Mr. BENNETT: Now, the minister knows the Brewsters. Who has the patronage there?

Mr. STEWART (Edmonton): No one has it.

Mr. BENNETT: The Brewsters have exercised it since 1925.

Mr. STEWART (Edmonton): Not as far as I know.

Mr. BENNETT: Does the minister say not as far as he knows?

Mr. STEWART (Edmonton): Long before my time that control was exercised by the party which my hon. friend represents. Those gentlemen are still there, and are still in control, and they hire the men who are on the road there.

Mr. BENNETT: The Brewsters?

Mr. STEWART (Edmonton): When my hon. friend makes an assertion of that kind it might just as well be definitely understood that I have not removed him. The road foreman in the Banff park, Mr. McCauley, was an appointee of the Conservative party and he exercises all control.

Mr. BENNETT: That is not so.

Mr. VALLANCE: Yes, it is.

Mr. BENNETT: What does the hon. member know about it? There is no evidence of that.

Mr. STEWART (Edmonton): I have not sought to remove that man. I say here and now that he is a good road foreman, but he is still a Conservative and he employs Conservative help when he can. The same thing applies to the chief warden.

Mr. BENNETT: To whom?

Mr. STEWART (Edmonton): To the chief warden, Mr. Warren. My hon. friend knows that he is a well-known Conservative.

Mr. POULIOT: There is big game in the park.

Mr. STEWART (Edmonton): My hon. friend has made an assertion that the Brewsters control the park; I state most emphatically that they do not.

Mr. BENNETT: I said that they controlled the patronage.

Mr. STEWART (Edmonton): They do not.

Mr. BENNETT: While the hon. gentleman was talking about the road foreman, I was talking about the Brewsters. The returning officer was appointed for West Calgary on the recommendation of the minister. He was sent up to do customs work at Banff last summer; his principal business being to find out how the people were induced to vote at the next elections. I know the committee that sent him up. The name of the man in charge is Mr. Young, who is the head of the Liberal organization in Calgary. The road foreman has been there not only under this administration but previous administrations, and is retained because of his fitness for the job. These people who control the patronage have endeavoured to direct the lives of men and women with respect to the work they do. It is a similar condition to what obtained regarding the canal here in Ottawa, when men were forced to join the Liberal association in order to obtain a job. I know of men who have had to join the Liberal association in Banff in order to obtain work, and I protest against that practice.

An hon. MEMBER: It is not worth it.

Mr. BENNETT: I agree with that remark. After all, there is such a thing as individual liberty and rights to be granted to even poor workingmen. Such liberty as we enjoy has been obtained through fighting for it. This condition is brought about by the fact that local matters are not under local control. If a man wants a position he has to kowtow to these people. The same conditions obtain in the other parks. I have visited Jasper park and find it the same. Local control would solve this problem. If such a situation existed in a municipality like Calgary or Edmonton, the town council and mayor, being amenable to the voices of the citizens, would endeavour to cure and remedy it, but that cannot be done in this instance. The hon. minister knows very well that there was patronage in Banff park long before he was minister.

Mr. STEWART (Edmonton): Yes, I know a great deal about that.

Mr. BENNETT: I stated quite frankly that that was so. This distant control is fraught with grave disaster, and in the past it has caused considerable trouble; in some instances the results have been little short of scandalous. I believe this road foreman was in the park shortly after I went to western Canada. He knows more about those roads than anybody else in that country, and that is the only reason he has not been removed. It would cause a row if he were, and therefore they have not tried to do it.

Mr. POULIOT: If it is a fact that the principal business of that man was to find out how the people were induced to vote, I am very much amused to see that the leader of the opposition is dissatisfied with his report.

Mr. STEVENS: Mr. Chairman, apropos of what has been said already, I would call to the attention of the hon. minister a situation which I think should receive some consideration. Section 5 states:

> Every park warden and any other park officer designated by the minister shall have all the powers of a police constable.

Under the system of administration there are justices of the peace, who are really officers of the park administration; there are constables, or people with the power of constables, who may be wardens or employees or anyone who might be named as having that power. In order to realize the extent of this section, it is necessary to turn to section 8. The old section of the act reads as follows:

> Any person violating any provision of this act or any regulation made hereunder shall, in addition to any civil liability thereby incurred, be liable on summary conviction to a penalty of not more than five hundred dollars, and in default of immediate payment of such penalty and of the costs of prosecution, such person may be imprisoned with or without hard labour for any term not exceeding six months.

The new section reads as follows:

> Any constable or any person having the powers of a constable under the provisions of this act or regulations hereunder may,—
>
> (a) on view, arrest any person—

I would direct the attention of the Solicitor General (Mr. Cannon) to this section:

> —found committing an offence against this act or regulations hereunder or found committing within a park any unlawful act;
>
> (b) without warrant or other legal process at any time enter and search any building, premises, structure, camp, vessel, boat, vehicle, conveyance, or other place, and open and examine any trunk, box, barrel, parcel, or other package or receptacle, whether within or without the boundaries of any park, where he has reason to believe there is—

And so on. This is what really perturbs me about this whole system. Here is a community, the park, with officials appointed by the government and responsible to a depart-

ment here in Ottawa. These officials are the magistrates and constables, and any person within that restricted community who may incur the enmity, or shall I say suspicion of an official, could easily become a victim of such petty persecution as that official might choose to impose upon him. These officials are given powers which are not given to constables in cities. The Solicitor General will agree with me that the right of search without warrant or legal process is a very extraordinary power.

Mr. CANNON: Exceptional.

Mr. STEVENS: It is a very exceptional power.

Mr. CANNON: Our customs officials have that power given to them for special reasons.

Mr. STEVENS: Those officials are restricted by the limitations of their duty. These are very exceptional powers, aggravated if I may say so by the insular condition of the community. I have no desire to argue in a hypercritical spirit, but rather with the desire of bringing about a realization that we may be going too far.

Mr. STEWART (Edmonton): Does my hon. friend mean too far with the penalties?

Mr. STEVENS: I was referring particularly to the powers conveyed by section 5 to certain officials of the park. Those officials might be wardens, road foremen or watchmen.

Mr. STEWART (Edmonton): Particularly wardens.

Mr. STEVENS: Yes, that may be so. These people would be clothed with the right of search without a warrant.

Mr. CANNON: "Where he has reason to believe."

Mr STEVENS: Yes, of course, but that means nothing. They may have reason in their own minds to believe some one has been fishing with a spotlight. They could say that. This leaves the matter wide open for persecution. What I was going to suggest is this: Why should not the power of administration of justice be under ordinary officers appointed, let us say, by the provincial authorities? Let me go back to the illustration I gave of Stanley park. Stanley park is policed by a policeman of the ordinary police staff of the city of Vancouver. He goes round the park and he exercises the power of a policeman just as any ordinary policeman would do. He is appointed by the city council or the police commission. He is not a peculiar official of the park clothed with special powers of a policeman. In other words, if we could, so to speak, reverse this thing, let the province administer the laws, appoint the magistrates and appoint the constables for policing purposes—

Mr. STEWART (Edmonton): Does my hon. friend suggest that the provincial government appoint the police?

Mr. STEVENS: I say: Why could not the administration of the laws, in the absence of a municipal authority, be under the control of the provincial authority?

Mr. STEWART (Edmonton): My hon. friend is confining his remarks pretty largely to the communities that would otherwise be municipalities, while the necessity for the right to search on view is for the proper administration of the parks which are purely and simply game preserves. If this were not so, we might as well cease to try to keep them as game preserves, because my hon. friend knows that all along the eastern boundaries of these two parks and along the boundaries of the parks of his province there are located settlers, residents, and if the constables are not there, these people may come in during the season when it is difficult to detect them and clean out our game preserves. As regards the question of arresting on view, our game wardens have that authority. Under the British Columbia Game Act the warden has identically the same right to search, confined of course to game; otherwise you could not have effective administration and preserve the wild life. In our parks we have a great deal of difficulty in preventing poaching, particularly with the thousands and thousands of tourists who are visiting the parks at all times, and also in the winter season when the parks, as I say, on the western and eastern boundaries are fairly easy of access by individuals who wish to go in and make a livelihood by taking game. I confess I think the penalty is fairly heavy, but it is one that has been in vogue since 1913. There was no change whatever in that section; I am simply embodying the old section in this measure. As regards the complaint of my hon. friend that the wardens who will be the constables should not have the right to search on view, particularly in the manner specified in this legislation, may I say that if they did not have that right it would be a great handicap to the enforcement of the game act within the park.

Mr. STEVENS: Should the constable not be compelled to bring the individual before an independent magistrate as quickly as possible?

Mr. STEWART (Edmonton): He must bring the men before the magistrate in the park; but of course my hon. friend will raise the objection that the magistrate is an appointee of the federal government.

Mr. STEVENS: Yes.

Mr. STEWART (Edmonton): What is the difference between a provincial constable bringing a suspect before a provincial magistrate and a federal constable bringing him before a federally appointed magistrate?

Mr. STEVENS: Nothing except this—and this is the point—that there may grow up in a community of that character an insular, petty condition of mind which often obtains in communities of an insular character, particularly where, as in the case of Jasper or Banff, the community is quite a substantial one.

Mr. STEWART (Edmonton): We appoint paid magistrates purely for that purpose. I think in the old days my hon. friend (Mr. Bennett) who has just left the house, had the appointment of two of them. That was under the old police act. When it was changed, the right to appoint by the federal authority was discontinued. Then we reverted to appointments by the province, but the selections were made by the federal government and the police magistrates are paid by the federal government. I confess I cannot see any difference between a provincial constable haling a person suspected of crime before a provincially appointed magistrate and a federal officer haling such a person before a federally appointed magistrate. I cannot help thinking we are very largely tilting at windmills. This administration has been carried on under both parties and I have heard most bitter complaints about the treatment that citizens have received. Some times I have gone to the trouble of investigating these complaints myself, and for the most part they are of the same character as those of which you hear in any municipality in the country.

Mr. STEVENS: Usually piffling.

Mr. STEWART (Edmonton): I quite appreciate the fact, and I am in accord with the suggestion of my hon. friend that there should be thirty days' publication of any change in the regulations so that the citizens, and, particularly, the tourists, may be informed about it. We try to post up in conspicuous places regulations affecting traffic in order that tourists who are not familiar with our regulations may become informed, because unless they are familiar with the regulations tourists constitute a terrible menace on the narrow mountain roads. In administering these park areas we have a good deal of difficulty in protecting the game and also the lives of the people who visit them for the purpose of seeing the game. We must also have drastic regulations for the prevention of fire, because that is the most destructive element with which we have to contend. At first view some of these provisions may appear drastic, but after all if they are judiciously administered they are all in the interest of the people who visit the parks, and particularly the people who live within their boundaries.

Mr. COOTE: I would like to suggest to the minister that the wording in the old act is far better than the new clause 4. The old section reads that these parks—

—shall be maintained and made use of as public parks and pleasure grounds for the benefit, advantage and enjoyment of the people of Canada.

It seems to me that is much plainer and more understandable than the high sounding language used in the new clause 4. What does it mean by saying?

The parks are hereby dedicated to the people of Canada for their benefit, education and enjoyment.

It would be much better to say that they are to be maintained for the benefit and enjoyment of the people of Canada.

Mr. STEVENS: It is evidence of piety.

Mr. COOTE: I would also like to say just in passing I do not think it is possible for us to control the actions of future generations. Just how we are going to administer and take care of these parks and leave them unimpaired for the enjoyment of future generations, it is rather difficult to see.

Mr. STEWART (Edmonton): Does my hon. friend think there is any very great difference between the old section and the new? In both it is a pious hope. I would not care very much if you wiped both of them out. I do not think either section will do much harm or much good to the national parks.

Mr. COOTE: It seems to me that we are just making a pretence of doing something here, and I never think that that is good practice.

Mr. STEWART (Edmonton): If my hon. friend says that we are not making an effort to preserve these areas for scenic purposes he is wrong.

Mr. COOTE: I would not say that. I do not think we are making any greater effort here than under the old act.

Sestion agreed to.

On section 5—Park administration.

Mr. COOTE: In my opinion the magistrates should be appointed by the province. I have never been able to understand why they should be appointed by the Dominion government.

Mr. STEWART (Edmonton): What is the difference between the appointment of a provincial official to administer a provincial law and the appointment of a federal official to administer laws under the control of the federal authorities, who must of necessity administer those laws in accordance with the provincial law?

Mr. COOTE: I understand the minister to say that the laws of the province were to apply in these parks.

Mr. STEWART (Edmonton): Surely.

Mr. COOTE: So it is a provincial law.

Mr. STEWART (Edmonton): Except during six or eight years the police magistrates in the park were appointed by the federal authorities at Banff. Two at least I know of in my time who were appointed by the federal authorities. Later, owing to the amalgamation of the provincial and federal police, that authority disappeared and we had to have recourse for the time being to the provincial authorities and ask to make the appointments. But I may say frankly that Mr. Hunter was suggested to the government at Edmonton by myself as a fit and proper person to become police magistrate in Banff. He was appointed by the provincial authorities and is paid by the federal authorities.

Mr. STEVENS: He was appointed by the provincial government?

Mr. STEWART (Edmonton): Yes.

Mr. STEVENS: On your recommendation?

Mr. STEWART (Edmonton): Yes. I do not see how the appointment of the magistrate by the federal authorities is going to create any very great difference in the result.

Mr. STEVENS: I am not sufficiently posted in legal matters to be clear on this point. I understand that the appointment of a magistrate is the prerogative of the provincial government. Are we infringing upon the right of the province to control property and civil rights by saying in subsection (4) of section 5:

> The governor in council . . . . may appoint, by commission under the great seal, one or more fit and proper persons to be stipendiary magistrates.

Perhaps the Solicitor General could clear up that point.

Mr. CANNON: I might give my hon. friend an example that will help him to understand the situation exactly. This park is reserved under our control, and we appoint the officials, including the magistrates, just as a city government appoints its officials to carry out municipal regulations. The cities themselves very often appoint recorders to see that the municipal regulations are observed.

Mr. STEVENS: Upon authority delegated by the province.

Mr. CANNON: May be. We are the authorities over the territory comprised in the national parks, and we appoint our own officials. As regards the civil law, I understand my hon. friend's difficulty. It is a complicated matter and it is rather hard to give a short answer to what seems to be a very simple question. The civil law applies to the province, but we as a government, under the British North America Act, appoint judges who administer the civil law in the province.

Mr. STEVENS: The Solicitor General has not grasped my point. The Minister of the Interior told us a moment ago that the magistrates were appointed by the province on his recommendation.

Mr. STEWART (Edmonton): Just recently. They were appointed by the federal government up until the amalgamation of the provincial and federal police.

Mr. STEVENS: That is in the past, but in this bill we have this new clause in which we say:

> The governor in council, on the recommendation of the Minister of Justice, may appoint, by commission under the great seal, one or more fit and proper persons to be stipendary magistrates within the parks, and such magistrates shall be at liberty to exercise any jurisdiction which may be conferred upon them by provincial authority in matters coming within the exclusive legislative jurisdiction of the province, in so far as the exercise of such powers may be consistent with the powers hereby conferred.

By that section the provincial authority is limited by the powers this bill confers. It says:

—in so far as the exercise of such powers may be consistent with the powers hereby conferred.

Has the federal authority any right to invade the provincial control of property and civil rights by the appointment under the great seal of magistrate? I question whether we have that right.

Mr. McLEAN (Melfort): There might be a conflict of jurisdiction in certain matters. For instance, the provincial authorities control the highways, the tourist traffic, and so forth, but the federal authorities control the national parks.

Mr. STEVENS: That does not answer my point at all.

Mr. McLEAN (Melfort): Further, there are federal officials throughout these park areas and they know a great deal more about the parks and the regulations governing them than the provincial authorities. It would be almost impossible to secure the policing of these parks by the provincial authorities because it is a tremendously expensive proposition. The federal officials being in all the park areas are in a much better position to preserve the game than if provincial officers had to be sent for.

Mr. STEVENS: That is not my point.

Mr. McLEAN (Melfort): That is the point the hon. gentleman was making, the conflict of jurisdiction.

Mr. STEVENS: The hon. gentleman does not get my point at all. He is a thousand miles away from it.

Mr. STEWART (Leeds): The administration of justice within a province and the constitution of the courts is entirely a matter of provincial jurisdiction. This parliament appoints judges, but the organization of the courts and everything connected with the administration of justice within the province is under the control of the province. For instance, in a province we appoint a justice of the peace, and that justice of the peace has power to try offences against federal statutes, provincial statutes and municipal regulations.

Mr. CANNON: If we say so.

Mr. STEWART (Leeds): You do not say at all in the province of Ontario what the power of a magistrate shall be. It comes under the general right of the province to deal with the administration of justice in the province.

Mr. CANNON: By means of the provisions of the criminal code giving them that jurisdiction.

Mr. STEWART (Leeds): The British North America Act provides for that. Here is the point that I wish to discuss. Is this park a part of the province? The only ground, it seems to me, upon which we could justify the appointment of a justice of the peace to administer laws within a province would be that this park was really not a part of the province, which I understood it to be.

Mr. STEWART (Edmonton): There seems to be something wrong with my hon. friend's deduction. If the federal authorities under the federal police act had the right to appoint a police magistrate in the Banff national park, which is not changed in any particular by this bill, then clearly the federal authorities have still the right to do this. Either they were wrong when they appointed magistrates before or they were right.

Mr. STEWART (Leeds): It was entirely under federal jurisdiction; it was not handed over.

Mr. STEWART (Edmonton): That may be so far as the land is concerned, but my hon. friend must bear in mind that the provincial authority has not been extended owing to the fact that the provinces are getting back their natural resources. They are operating under identically the same laws; there is no change in their position. True, we have the lands and resources under federal control, which now passes to the provinces, but that does not confer upon them any wider power than they had previously when the federal authority appointed magistrates. I am speaking as a layman. I merely ask the lawyer members how it comes about that we are denied the right we had previously, although there has been no change.

Mr. CANNON: The jurisdiction belongs to us; we are at home. It comes to us under the terms of section 91, Dominion property.

Section agreed to.

Section 6 agreed to.

On section 7—Regulations.

Mr. GARDINER: If I may go back to section 6 for a moment. What is the position as to the control of water powers in the parks?

Mr. STEWART (Edmonton): We control them within the parks always. If my hon. friend has the fear that they might be controlled to the detriment of the rights of the

people lower down the banks of the stream, I may say that we have no more control in that respect than any private individual. That is, we cannot take from or deny to those below their water rights.

Mr. GARDINER: What provision is made to lease water powers within the parks; will such leasing be controlled by parliament or by regulations?

Mr. STEWART (Edmonton): By parliament.

Mr. GARDINER: And the same in regard to minerals—an act of parliament will have to be passed before any lease is granted?

Mr. STEWART (Edmonton): Yes.

Mr. STEVENS: Will not the minister add those words he mentioned to subsection 2 of section 7, so that the subsection will read:

All regulations made hereunder shall be published in the Canada Gazette for a period of thirty days, and shall thereupon have the same force and effect as if herein enacted.

Mr. STEWART (Edmonton): I have no objection.

Mr. STEWART (Leeds): It would be better to make it read that the regulation shall not come into force until thirty days after publication.

Mr. CANNON: I move to amend subsection 2 of section 7 by adding after the words "Canada Gazette" in the second line the following words:

"for a period of thirty days."

Amendment agreed to.

Section as amended agreed to.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 38, respecting the Highwood Western Railway Company—Mr. Coote.

Bill No. 57, respecting the Confederation Life Assocation—Mr. Anderson (Toronto-High Park).

Bill No. 113, respecting the capital stock of the Ottawa Electric Railway Company—Mr. Chevrier.

[Mr. C. A. Stewart.]

DIVORCE PROCEEDINGS

RIGHT OF MARRIED WOMEN TO ESTABLISH DOMICILE

Mr. W. J. WARD (Dauphin) moved the second reading of Bill No. 31, respecting jurisdiction in proceedings for divorce.

Mr. LAPOINTE: Explain.

Mr. WARD: The bill before the house is very simple and very limited in its scope, and I should not think it would be the subject of very much discussion. At the outset I wish to make it very clear that it is not my intention, nor is it the purpose of the bill, in any way to widen the grounds in order to make divorce easier. We recognize that there is a very considerable section of the people of Canada, and indeed a number of the members of this house, who on conscientious grounds object to the granting of divorce, but the purpose of this bill is merely to establish equality of status as between husband and wife in the case of a woman who has been deserted for a period of two years and upwards and that she may make application for divorce in the province in which the husband was domiciled at the time of such desertion.

As the law stands at present a woman must apply for a divorce in the province in which the husband is domiciled at the time the application is made. I am sure the house will readily see how inconvenient, if not impossible, it would be for a woman of moderate or small means, working for her living and bringing up several small children, to travel from province to province in an effort to run down or catch up with the husband who a few years before deserted her. I have in mind the case of a young woman, the mother of two children, who was deserted by a scalawag of a husband some four or five years ago. By her own efforts she has established a home and has maintained and educated her children in a way that would be a credit to anyone. Yet for that woman to secure a divorce it would be necessary for her to travel to another province about a thousand miles from where she now lives and where she was deserted.

As a layman I never have been able to understand why we should have one standard for criminal and civil law and quite a different standard for moral law. If a woman commits a crime she pays the same penalty as a man, but a man may commit several moral offences and have discrimination shown in his favour. I hope parliament now is ready to apologize to the women of Canada for the great injustice that has been done them during all these years and is prepared to pass this

measure unanimously in order to remove from our statute books one of the most discriminatory pieces of legislation that was ever passed in Canada. This will give to the women of Canada equal status in matters of divorce, and I should like to appeal especially to the Minister of Justice to give the measure his support and see that it passes. It has been before the house for three sessions; I sincerely hope it will pass the commons now, and if it does I am sure it will pass the upper house and become law.

Hon. ERNEST LAPOINTE (Minister of Justice): Before this measure is carried I am sure my hon. friend will permit me to say what I think about the proposed legislation. I should have thought my hon. friend would have been satisfied with the supposed progress which was made the other night when we passed the bill creating a divorce court in Ontario, without going on with this bill. However, I will admit that the new bill as introduced by my hon. friend is better—if there can be anything good about it—than the one he brought in last year and which passed this house after a stormy debate but was thrown out by the Senate. I will admit that this was one of the rare occasions on which I thought the Senate was a useful institution.

Mr. McGIBBON: When did you change your mind?

Mr. LAPOINTE: I have not changed my mind; I hope the Senate will be just as efficient this year if this bill passes the house.

As I have said, this bill is not as bad as the one brought in last year. Under the bill of last year a woman could leave her place of residence and move from one province to another in order to qualify for divorce proceedings. This year the bill of my hon. friend is not so wide in its application; it says that the woman will be enabled to institute proceedings in the province where the husband had his domicile before he deserted his wife. At least this bill will not transfer the activities of the woman from one place to another in order to secure a divorce; she will have to institute her proceedings in the province where she was living when her husband left her; but, sir, even at that it still infringes upon another principle of British law, which is that an instance in divorce can be started only in a jurisdiction which is the domicile of the parties. Under the British law, and for that matter under the law of all nations, the domicile of the wife is the domicile of the husband. As long as the marriage lasts there is only one matrimonial domicile, and surely everyone will admit that this is a good law.

Mr. KENNEDY: Even though he deserts his wife and runs off to another province?

Mr. LAPOINTE: But the marriage still exists. The mere fact of desertion by one party or the other has not the effect of dissolving the bond; otherwise it would be too easy for many people to do so. If by intention and by the other elements that constitute the domicile such domicile has been effectively changed, then the proceedings would be carried on elsewhere than at the legal domicile. This is not done even in ordinary judicial proceedings, and a serious situation might arise where there might be two instances in divorce, one on the initiative of the wife at the place where my hon. friend, by his bill, suggests it should be, and one on the initiative of the husband at the place where the husband has established a new domicile. There might be two different decisions on these two instances, and appeals might follow which would make for conflict and confusion. So long as the marriage bond has not been declared broken by a judgment of a court, it still exists, and so long as it exists there is only one domicile. I do not give this as my own personal view, as there are authorities on the matter. The only Canadian author dealing with divorce matters is R. R. Evans. In his volume entitled Law and Practice of Divorce, he says at page 261:

> It is a fundamental principle of international law firmly established by the cases previously cited that domicile is the test of any court's jurisdiction to dissolve matters by a decree of divorce and that unless domicile within the territorial jurisdiction of the court selected at the time proceedings are commenced is established such court cannot grant a divorce which will receive extraterritorial recognition. This principle is recognized and strictly adhered to by both the English and Canadian courts, by the courts of the United States and of most foreign countries as well.

The meaning of this is that any divorce granted outside of the real domicile of the parties would not be recognized by foreign countries. My hon. friend should consider that point very seriously before insisting upon the passage of his bill. The author continues:

> International law also decrees that a woman upon marriage takes the then domicile of her husband—

The hon. member for Southeast Grey (Miss Macphail) may not like that; nevertheless it is so.

Miss MACPHAIL: Well, I do not like it.

Mr. LAPOINTE: I know my hon. friend does not like it, but I am afraid that it cannot be changed this year. The author continues:

—and while the marriage is subsisting takes whatever new domicile the husband may from time to time establish, and this principle is also fully recognized by English, Canadian and American courts and by the courts of many other foreign countries.

I would direct my hon. friend's attention to the following, on page 262:

The result is that no English or Canadian court will entertain a wife's petition for dissolution except the court within whose territorial jurisdiction the husband is then domiciled, and no cases can be found which hold to the contrary.

If my hon. friend would consider these principles perhaps he would change his mind, but I am afraid he is convinced that he is right. And continuing:

It has frequently been judicially stated both in England and Canada that power to dissolve a marriage by a decree of divorce entitled to extraterritorial recognition is vested exclusively in the place of the domicile of the parties at the time proceedings were commenced; that the wife not only takes the husband's domicile at the time of the marriage but that also at all times and under all circumstances her domicile is the same as that possessed by the husband from time to time while the marriage remains in existence; that the wife can under no circumstances acquire during marriage a domicile separate and distinct from that from time to time possessed by the husband; that consequently a wife can never be granted a decree carrying extraterritorial validity by any court other than that within whose territorial jurisdiction the husband was domiciled at the time proceedings were commenced.

If this bill is adopted by parliament, a divorce granted under its provisions would not be recognized outside of Canada because it would be against the principles of international law.

Mr. THORSON: It would be valid in Canada.

Mr. LAPOINTE: Certainly, because this parliament has jurisdiction. Parliament can do anything except to change a man into a woman, but from the way things have been progressing, especially during this session, I would not be surprised to see such a bill introduced next year. The following appears on page 276:

Residence, allegiance, the nationality of either husband or wife, the place of marriage, the grounds upon which the marriage has been dissolved or other similar matters do not affect the question of extraterritorial validity, neither does the domicile of the husband at the time of the marriage or of the wife before marriage make any difference in so far as the jurisdiction of any court to entertain proceedings for divorce and decree a divorce carrying extraterritorial validity is concerned. The whole question turns upon the place of the husband's domicile at the time proceedings are commenced and the law relating to domicile then in force there, and it is immaterial whether the proceedings are instituted by the husband or wife. If at the time proceedings are commenced the husband is actually and bona fide domiciled within the territorial jurisdiction of the court before which action is taken the court can whether the proceedings are instituted by the husband or the wife dissolve the marriage and the decree will be recognized in English law.

Last year my hon. friend quoted the case of Cook versus Cook in the explanatory note to his bill presented at that time. When that case went to the privy council, the English and Canadian laws covering the question of domicile in divorce matters were given. At page 746 of the Western Weekly Reports, 1926, volume 1, Lord Merrivale says:

The contention that husband and wife may be domiciled apart and may resort to different jurisdictions and different codes of law to seek thereunder dissolution of the marriage between them appears to challenge directly the rule laid down in Le Mesurier v. Le Mesurier, and affirmed in the House of Lords in Lord Advocate v. Jaffrey, that matrimonial status is governed by the law of domicile of the parties. In the former case the rule was stated by Lord Watson to be that "the domicile for the time being of the married pair affords the true test of jurisdiction to dissolve their marriage." In the latter it was epitomized by Lord Haldane in these words: "Nothing short of a full juridical domicile within its jurisdiction can justify a British court in pronouncing a decree of divorce." Both pronouncements are declaredly founded on a principle which was stated in the judgment of Lord Penzance in Wilson's case:

The differences of married people should be adjusted in accordance with the laws of the community to which they belong and dealt with by the tribunals which alone can administer those laws.

And further:

The judgment delivered by Lord Watson in Le Mesurier's case, however, brings inevitably into view the fact that divorce obtainable under different systems of municipal law by spouses living in separate jurisdictions is irreconcilable with the existence of any axiom in private international law that there is in the case of every marriage one sole jurisdiction in which dissolution of the marriage tie can be decreed.

Lord Haldane in Lord Advocate vs. Jaffrey at page 751 of the same volume says:

Nothing short of a full juridical domicile within his jurisdiction can justify a British court in pronouncing a decree of divorce.

And he adds:

There can be only one real domicile.

Further:

There is no authority for the proposition that husband and wife can have, while they

continue married, distinct domiciles. If it were otherwise proceedings for dissolving the status of marriage might be carried through in two jurisdictions, possibly with different results.

Lord Merrivale in the conclusion of that judgment says:

Under British law one of the effects of marriage is to give to the spouses a common domicile,—the domicile of the husband. Within the jurisdiction thereby arising, and by the marriage laws to which the spouses are there subject, the claims of either of them to a decree of dissolution of marriage ought to be determined. In so far as British tribunals are concerned it is a requisite of the jurisdiction to dissolve marriage that the defendant in the suit shall be domiciled within the jurisdiction.

In the bill introduced by my hon. friend the defendant would be sued in a place other than his domicile. Lord Merrivale continues:

In such cases actor sequitur forum rei.
This is the true effect upon the present proceedings of the rule laid down in the Le Mesurier vs. Le Mesurier, supra.

There is no doubt, and I think every hon. member will agree with me, that this would be a departure from British principles of law. Why should we do this even if we are trying not only to facilitate divorce but even to offer divorce to those who want it? My hon. friend said: We must have equality of sexes. Equality is a pleasant word and discrimination, I agree, is unpleasant. Still, equality—and I think my hon. friend may agree with me on this—may mean reduction as well as addition. Would my hon. friend—and I will even ask the hon. member for Southeast Grey—would she want all statutes to be changed where inequality exists between the sexes? After all there are the physical laws, the laws against which nobody can contend and which we must recognize. Complete equality would be much more detrimental than beneficial to women.

Miss MACPHAIL: Will the minister explain that more fully? I should like to have an instance of it.

Mr. LAPOINTE: I will with the greatest pleasure. My hon. friend wants me to explain the matter more fully. I will give her some instances. I do not know whether the hon. member for Temiscouata (Mr. Pouliot) is present to-night, but the other day he called attention to this point with regard to Ontario. There are in several provinces laws concerning labour for women, laws concerning minimum wages for women and not for men. Does my hon. friend desire equality on this?

Miss MACPHAIL: Certainly I do.

Mr. LAPOINTE: But equality does not exist and this law was made for the protection not of men but of women.

Miss MACPHAIL: Implying that men have made women their inferiors.

Mr. LAPOINTE: My hon. friend does not like the one I have mentioned; let me cite another. There are laws making it an offence and a crime for men not to support their wives. Does my hon. friend wish equality on that? Does she think it should be a crime for a wife not to support her husband?

Miss MACPHAIL: Yes, if all the laws and all the customs of civilization with regard to women were changed.

Mr. LAPOINTE: Exactly. My hon. friend is making up my case. All the laws of civilization make the situation different and it cannot be otherwise than different.

Miss MACPHAIL: Yes, it can.

Mr. LAPOINTE: Non-support laws?

Miss MACPHAIL: All the laws having been made by men for the protection of men, how can we change them but gradually?

Mr. LAPOINTE: The law making it a crime for men not to support their wives was made for the protection not of men but of women. Surely my hon. friend will admit that. I can cite other laws which surely cannot be equalized. There are laws granting allowances to mothers. Can such a law be equalized?

Mr. IRVINE: Yes.

Mr. LAPOINTE: My hon. friend would favour laws granting allowances to fathers?

Mr. IRVINE. Hear, hear.

Mr. LAPOINTE: In my province such a law would be a great boon to many people.

Mr. McGIBBON: Might I remind the minister that those who demand their rights forfeit their privileges?

Mr. LAPOINTE: In various provinces there are widows' pensions, and I do not think my hon. friend is right when she says that all the laws were made to protect men as against women. Surely nobody has ever asked for laws granting pensions to widowers; still there are pensions granted to widows. Those are instances where inequality exists, but it exists in a way that protects women rather than men and I think it is rather a benefit to women that such inequality exists. I might mention the fact that military laws are not the same for women as for men. It would be cruel to women if those laws were changed to make them equal as between men and women.

Miss MACPHAIL: It would be much better.

Mr. LAPOINTE: Apart from that there are other laws I almost hesitate to mention. In the criminal code there are laws concerning the age of consent. Surely this could not be applied to men as well as to women. In the criminal code there are other laws concerning offences that I hesitate to mention and that I will not mention.

Mr. MANION: Please do.

Mr. LAPOINTE: I think my hon. friend would laugh still more if I were to cite two or three of those laws, but the ones I have mentioned are merely to illustrate the fact that it is impossible, because of natural conditions, that complete equality should exist in regard to legislation as between sexes, and I do not think it is desirable that the changes suggested should be made. We do not know where we are going to land.

Miss MACPHAIL: Terrible.

Mr. LAPOINTE: My hon. friend (Miss Macphail) says "terrible," but I would ask, when there is a marriage law and both the law and custom have decreed that the girl shall assume her husband's name, shall we change that for the sake of equality?

Miss MACPHAIL: I make the suggestion to the minister that the husband take the wife's name.

Mr. LAPOINTE: That would perhaps be just as logical as many of the proposals that are made. I have given enough illustrations to show that we may differ from my hon. friend as to this bill and as to the equality of the sexes without being unreasonable, illogical or unmindful of the right and needs of woman. I think that in the interests of the wife and in the interests of woman it is well that these differences which have existed since the world was created should be permitted to continue to exist.

As far as my hon. friend's bill is concerned, I am opposed to it not only because of my views on divorce generally but because the bill is opposed to the principles of British law and of Canadian law and of international law, and because it is also opposed to the law of nature.

Mr. ADSHEAD: How is it that divorces have been granted by parliament where the husband has deserted the wife and been domiciled in England or the United States?

Mr. THORSON: Can the hon. member give any examples of that?

[Mr. Lapointe.]

Mr. LAPOINTE: I think my hon. friend is wrong.

Miss AGNES MACPHAIL (Southeast Grey): I never can quite understand how a man of the ability and charm of the Minister of Justice (Mr. Lapointe) can be so antiquated when it comes to an opinion on women. It is clear to me that he was born about five hundred years too late. The thing we are discussing is this. A man and a woman get married and establish a home, a domicile. They may or may not have a family. The husband deserts the woman, clears out for two years or longer. The wife wants a divorce, but according to our law she must chase her husband over the face of Canada in order to sue for divorce.

Mr. NEILL: Anywhere.

Miss MACPHAIL: Yes, but I am speaking now of Canada. It is a humiliating thing. If domicile is a real thing, it must be the home that was created by the marriage. The husband deserts his wife and children, forsakes the home, and then the Minister of Justice asks that the man alone shall retain the domicile. If that is the law, it is poor law, and let us change it. International law may not be in accord with the principles of this bill, but we do not make international law; we make Canadian law, and if we enact this bill into law and other countries make similar laws, international law will come into harmony with advanced thinking on this subject. So I support most heartily the bill that has been introduced by the hon. member for Dauphin (Mr. Ward). If the present law is based on injustice, and it clearly is, let us change it. All this bunk, if you will pardon the word, about equality between the sexes, does not impress me very much. We are actually working towards equality, and clearly from the instances cited by the Minister of Justice to-night we have not yet got equality; woman is not yet a person, in spite of the judgment of the privy council that she is a person in regard to the senate at least. We need very many changes in our laws. We can make them only one at a time. This is our chance at this one, and we will make the most of it.

Mr. A. W. NEILL (Comox-Alberni): I do not want to detain the house or talk the bill out, but I would like to answer the question asked by the hon. member for East Calgary (Mr. Adshead) because the answer illustrates

the need for this bill. He asked: How is it that we have again and again in this house granted divorce to women whose husbands are patently admitted to be in the United States and therefore according to the law as it stands the woman cannot have the domicile of her husband? The answer is that we deliberately encourage the woman to commit perjury. She is asked if she knows where her husband is. She may say that the last time she saw him he was in Toronto. She is asked if she knows where he is now. She answers, no. "Therefore, to the best of your knowledge, he is still domiciled in Canada?" she is next asked. She is primed to answer "yes", and then the court, in order to do justice, takes no cognizance of the fact that the man is patently domiciled in the United States, and by that subterfuge they endeavour to give a measure of justice to the woman. That just illustrates the need for this bill.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): May I give a case that was brought to my attention last summer? A man from the isle of Guernsey came to western Canada, lived there some time and then married a Canadian girl. Immediately after the ceremony she became suspicious of him and left him. He proved to be a scoundrel. He was arrested and sent back overseas. He came back to this country in violation of the Immigration Act, and is now in a penitentiary in Canada. The Canadian authorities refused to allow him Canadian domicile because they wish to deport him as soon as he gets out of the penitentiary. As I understand it, the only place where that girl can get a divorce is in the isle of Guernsey. She is a Canadian girl, was married in Winnipeg, and I believe she should have the right to apply for a divorce in Winnipeg, or at all events in Canada.

Mr. J. L. BROWN (Lisgar): In regard to the granting of a divorce where the man is in the United States, there must be some misapprehension on the part of certain hon. gentlemen, because I recall distinctly a case that came before the divorce committee in which the husband was in Missouri, and witnesses were brought all the way to this house from Missouri to prove that he was there, and a divorce was granted.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Johnston in the chair.

Section 1 agreed to.

On section 2—Married woman deserted and living apart for two years may commence proceedings for divorce.

Mr. CANNON: May I ask the hon. gentleman who has introduced this bill how it differs from the bill of last year?

Mr. THORSON: Perhaps I might briefly answer that by reading the bill that was passed last year. The bill read:

> A married woman who either before or after the passing of this act has been deserted by and has lived separate and apart from her husband for a period of two years and upwards and is still living separate and apart from her husband may acquire in any one of the provinces of Canada in which there is a court having jurisdiction to grant a divorce a vinculo matrimonii a domicile of her own choice as though she were a feme sole for the purpose of commencing in the province in which she has acquired such domicile an action for divorce a vincula matrimonii praying that her marriage may be dissolved on any grounds that may entitle her to such divorce in the court of such province having jurisdiction to grant such divorce and such court shall have jurisdiction to grant such divorce whatever the domicile of the husband may be, provided that for the purpose aforesaid such married woman shall be deemed to retain the domicile of her husband at the time she was so deserted until she has acquired a domicile of her own choice as aforesaid.

The difference between this bill and the bill introduced last session is that last year's bill gave to the deserted wife the right to acquire a separate domicile from that of her husband, and it would have permitted her to go from province to province in order to acquire a separate domicile for the purpose of commencing an action for divorce. In this bill no such right is given. This bill gives legislative effect to rules laid down in two English decisions, namely, Armytage v. Armytage L. R. 1898 P., at page 185 and Ogden v. Ogden L. R. 1908 P., at page 78. In short, under this bill the courts will presume a continuation of domicile of the parties to the action in the province in which they were domiciled just immediately prior to the desertion by the husband.

Mr. CANNON: Has not my hon. friend any doubts as to whether this parliament has a right to interfere in a matter of domicile? Does not that come under the civil law which is within the competence of the provinces?

Mr. THORSON: This bill merely confers jurisdiction upon the courts to grant divorce and does not in any respect change the domicile of the wife. Had it been sought to make any such change, there might be some question as to its being intra vires of this parliament.

Mr. CANNON: I should not like to discuss the law outside my own province, but in Quebec the domicile of the wife is the domicile of her husband, and no other. So I doubt very much, even if we did pass this bill, whether the courts would decide that we could change the law of one province as regards domicile. I think there is more involved in this bill than the matter of jurisdiction.

Mr. THORSON: This bill merely confers jurisdiction upon the courts to grant divorce; it does not change domicile of the parties at all.

Mr. CANNON: But the jurisdiction of the courts is established on domicile. That is a question of civil law and should be left to the provinces.

Mr. THORSON: It is sought by this bill simply to give jurisdiction to the courts to grant divorce under the circumstances referred to in the bill.

Section agreed to.

Bill reported.

Mr. SPEAKER: When shall said bill be read a third time?

Some hon. MEMBERS: Now.

Mr. RINFRET: Next sitting.

Mr. WARD: There is no amendment.

Mr. SPEAKER: There being no amendment, the bill may be read a third time now.

Mr. WOODSWORTH: I move that the bill be now read a third time.

Mr. CANNON: I understand, Mr. Speaker, that the sponsor of the bill would be satisfied to have it read a third time on Tuesday?

Mr. WARD: Yes.

Mr. SPEAKER: Next sitting of the house.

Mr. WOODSWORTH: Mr. Speaker, was I in order in moving that the bill be now read a third time?

Mr. SPEAKER: The sponsor of the bill himself says that it should be read at the next sitting of the house.

Mr. WOODSWORTH: I have a right to move—

Mr. CANNON: Why do it?

Mr. LAPOINTE: Why should my hon. friend do it? It is so easy for me to speak for two minutes; why not wait and give a chance to other members of the house to register a vote on this matter?

Mr. SPEAKER: Next sitting of the house. But the bill could have been read a third time, there being no amendment.

The hour for public and private bills being exhausted, the house will now revert to the consideration in committee of the whole of the bill respecting the national parks.

NATIONAL PARKS

The house resumed consideration in committee of Bill No. 135 respecting national parks—Mr. Stewart (Edmonton)—Mr. Johnston in the chair.

The CHAIRMAN: When the committee rose at six o'clock section 7 had been declared carried.

Sections 8 to 12 inclusive agreed to.

Schedule agreed to.

Mr. COOTE: Mr. Chairman, before you report the bill I should like to ask the minister how much is being taken out of Banff park?

Mr. STEWART (Edmonton): In the Spray lake area—I suppose that will describe it sufficiently for my hon. friend—630 square miles; north and east of lake Minnewanka, 76·6 square miles—

Mr. COOTE: Would there be coal in that territory?

Mr. STEWART (Edmonton): There is mineral—in the valley of the Red Deer river coming out of the mountains, 290·7 square miles; on the Clearwater, which is a coal-mineralized area, 377 square miles; along the Canadian National railway off Jasper park, 435 square miles. Those are all the deletions in the Rocky mountains. Those sections will go into forest reserve.

Mr. ADSHEAD: Will they be included in the natural resources transferred to the province?

Mr. STEWART (Edmonton): Yes.

Sir GEORGE PERLEY: Before this bill passes may I say that I have not had a chance to give it full consideration, and I would like to revert to section 11. In this section the expression "national historic park", is used, and then the explanatory notes refer to historic sites. Are those historic sites set apart by the minister under some other statute?

Mr. STEWART (Edmonton): No, they will be set apart under this statute. Proposals of this nature will now have to come to parliament and be approved by parliament on the recommendation of the Historic Sites and Monuments Board.

Sir GEORGE PERLEY: The historic sites?

Mr. STEWART (Edmonton): Yes.

Sir GEORGE PERLEY: This section refers only to historic parks. I notice the word "sites" is not used at all in section 11.

Mr. STEWART (Edmonton): It covers the whole thing.

Sir GEORGE PERLEY: The minister will pardon me, but I do not understand how it does cover the whole thing. For example, a building which might be described as an historic site would hardly be set apart by the governor in council as a national historic park. I cannot understand how that could possibly be done. There are many such historic sites—old forts, for instance. The minister says each one of these sites is to be set apart by act of parliament.

Mr. STEWART (Edmonton): No, that is hardly correct. If the land is federally owned it can, on recommendation, be set apart by order in council.

Sir GEORGE PERLEY: I should like to know how in the future such places will be set apart. They cannot properly be called national parks.

Mr. STEWART (Edmonton): But they are historic sites.

Sir GEORGE PERLEY: There is no reference to historic sites in this section.

Mr. MACKENZIE KING: The section says "may set apart any land"; it is the land which is set apart as a park. It may be reserved to commemorate a landmark or an historic event.

Sir GEORGE PERLEY: If the Prime Minister thinks the governor in council can set apart as a national historic park an old fort with no land about it other than the land on which it is situated, very well; but I should be surprised if such a thing could be done and could properly be called a national historic park.

Mr. MACKENZIE KING: As I read the section:

> The governor in council may set apart any land the title to which is vested in His Majesty as a national historic park.

And it may be set apart either to commemorate an historic event or to preserve some historic landmark. For example, if the governor in council happened to own a few acres of land upon which there was an old fort, such property could be made into a park.

Sir GEORGE PERLEY: The Prime Minister apparently thinks it would be in order for the governor in council to set apart an old fort without any land around it, and that it could be classed as a national historic park. I am surprised that the Prime Minister holds such a view.

Mr. MACKENZIE KING: My hon. friend apparently is not familiar with the wording of the section. It does not say, "may set apart any historic landmark as land"; it says that land may be set apart to "commemorate an historic event" or to "preserve any historic landmark". It is only the land which can be set apart.

Sir GEORGE PERLEY: In my opinion, it should read "national historic park or historic site." I would not call an old fort without any land around it a park.

Mr. MACKENZIE KING: Neither would I.

Mr. COOTE: I should like to say a word in regard to Banff park bathhouse, in connection with the upper hot springs. It is because of the finding of these hot sulphur springs that the idea of the construction of a national park first came into being. The bathhouse at the upper hot springs is hopelessly inadequate, and the minister is aware of that fact. I would suggest to him that a new bathhouse be erected this year. May I point out to the minister and to the Prime Minister that the revenue obtained last year from that bathhouse was nearly $12,000. It is located away up on the side of the mountain, and it costs a considerable sum to hire a cab to go to it. A new bathhouse should be built down in the valley, and if that were done the revenue would be twice the amount received at the present house; in two or three years it would no doubt pay for itself. The hot sulphur springs is one of the chief attractions at Banff, and not only that; a great many people go there because of the benefit to be derived from the springs. The pool which is used at the present time is so small that a person visiting the baths in the middle of the day would wonder whether there was room for him. The present accommodation is hopelessly inadequate and as far as the minister is concerned I am sure he would need no persuasion to go ahead with the construction of a new bathhouse, and if it is to be done some provision must be made in the supplementary estimates. I can assure the minister that such a building would prove to be a paying investment. Owing to the amount of unemployment in the country, I do not

think the government could undertake a better piece of work. A new bathhouse could be built and the water could be piped down from the present pool to a reservoir in the valley.

Mr. STEWART (Edmonton): We have that project under consideration at the present time. We are spending $800,000 to construct our part of the highway from Golden to Revelstoke via the Big Bend. Plans will be prepared for the bathhouse and I hope that we shall be able to do the piping this year in order to utilize the two springs for a new building at the point mentioned by my hon. friend.

Bill reported, read the third time and passed.

JUDGES ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 133, to amend the Judges Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Annuity to judge who held office on 31st March 1927 and continued or continues in office until he attained or attains 75 years of age.

Mr. STEVENS: There is only one section to this proposed amendment. The leader of the opposition (Mr. Bennett) will be in his seat this evening and he may wish to say something. I do not think however that he has any particular objection to it.

Mr. LAPOINTE: My hon. friend the leader of the opposition approves of the bill.

Mr. STEVENS: I think he does.

Mr. LAPOINTE: The hon. member for St. Lawrence-St. George (Mr. Cahan) also approves of the bill. As a matter of fact it was to give effect to the suggestion made in 1927 by the hon. member for St. Lawrence-St. George that the new law was enacted retiring the judges of the Supreme Court of Canada and the Exchequer Court at the age of seventy years. It applies only to those who were then in office, because as was represented to me they had been appointed for life and there was some question whether it was fair for those who had been appointed for life to be retired at seventy years of age without giving them a pension to the full amount of their salaries. With respect to other judges who have been appointed since that law was passed or who are to be appointed, the retiring allowance will be only two-thirds of the salary.

[Mr. Coote.]

Sir GEORGE PERLEY: I take it that there was an implied contract with these men who were appointed?

Mr. LAPOINTE: That is what was contended.

Mr. ADSHEAD: I should like to ask why supreme court judges should not contribute some portion of their salaries towards a superannuation fund. Even the lowest employee of the Post Office department has five per cent of his salary deducted, and if he does not remain in the service a certain length of time he loses all the money he has paid in. The judges get good salaries all their lives, and when they retire they continue to get their full salary without paying a cent towards it. I do not think that is fair at all.

Mr. LAPOINTE: When the question comes up, as it certainly will at some future session, of the salaries of judges and pensions to retired judges, the point raised by my hon. friend undoubtedly will be discussed. I may tell my hon. friend that many judges have already asked to be allowed to contribute, provided that their widows receive a share of their pension, as is the case with civil servants and officers of the mounted police. This will involve a radical change in the present law, but I agree with my hon. friend that it should be done.

Mr. ADSHEAD: I notice that in the estimates for this year over $1,300,000 is devoted to pensions of this kind.

Mr. LAPOINTE: Yes, that is part of the salaries of the judges, which certainly are not too high at the present time. As a matter of fact, if my hon. friend was at the head of the Department of Justice he would see how difficult it is at the present time to get the right men to accept judicial positions.

Mr. ADSHEAD: That amount is for pensions alone.

Mr. LAPOINTE: But even at that the positions are not attractive.

Mr. HEAPS: I have only one word to say. I am very glad to see the Minister of Justice fighting so hard on behalf of his own union.

Bill reported, read the third time and passed.

COMPANIES ACT AMENDMENT

Hon. FERNAND RINFRET (Secretary of State) moved that the house go into committee on Bill No. 9, to amend the Companies Act.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Sections 1, 2 and 3 agreed to.

On section 4—Corporate name.

Mr. BENNETT: With respect to the question of the corporate name a very serious difficulty has arisen in this country of late, which I think should be investigated. A company made an application for a name. They were told that it conflicted with another company's name. They then proceeded to acquire the name of the other company by purchase. Then they came up here, and although arrangements had been made to spend a large sum of money in development in this country their application was refused and another company was given the name, which is at variance with the regulations. They then sent back the money to their shareholders, cancelled their plans and left the country. They contemplated the expenditure of a very large sum of money, and I think the matter is so serious that there should be some very clear explanation given. I refer to the Texas Oil Company of Canada. The minister knows about it, for these people saw him personally.

Mr. RINFRET: I recall the case, but first I might explain that the only change in this section is the use of the three letters "Ltd." instead of the full word "Limited." I do not suppose my hon. friend takes objection to that.

Mr. BENNETT: But this question comes up under this section.

Mr. RINFRET: With regard to the case of the Texas Oil Company I must say that although I recall meeting the representatives of that company and of a company with a similar name doing business in Canada, I would not care to discuss that specific case without having the file before me. Perhaps my hon. friend would agree that since the amendment proposed by this section is a very minor one we might pass it and some other opportunity may be found when I shall be pleased to give my hon. friend the explanation for the action of the department in regard to that case.

Mr. BENNETT: I have no desire that the matter should be discussed without the hon. gentleman having his papers, but I thought it might be sufficiently clear in his memory, because it is not of very long standing. This case has been the subject matter of complaint to me in very strong terms; I think it involves a question of far-reaching importance, certainly with relation to development in this country which will not now be carried on because of the action taken. There must be a very clear explanation given, because the regulations under the statute have been contravened by the action taken, and the people wasted and lost a very substantial sum of money. The hon. gentleman knows the story. If he does not remember the case clearly enough to discuss it without his papers I am content to wait for another opportunity, but before this bill leaves the house I propose to have something to say about this case.

Mr. RINFRET: My hon. friend knows the conditions which exist at present. I should not like to see a bill containing general dispositions and amendments to the law, which have been agreed to by both parties in the Senate and by a committee of this house this year, delayed on account of a specific case which can be well discussed when we take up, for instance, the estimates of the department. I am quite willing to admit that the discretion which is left with the Secretary of State to decide the use of names places him in a very difficult position. An illustration is found in those American companies of long standing which come to Canada to obtain the right to a name in this country. Later on a Canadian company may be formed and desire to use a name which has a certain similarity to that of the American company. I do not desire to go fully into this matter to-night, as I cannot trust my memory. I do remember one company in Canada which applied for the use of a name similar to "Texas." The department took the stand that great care should be exercised before the use of that name was allowed to designate a product similar to the products manufactured by the Texas Oil Company of the United States.

I could not trust my memory to give the precise facts concerning this case, but I am sure that my hon. friend and the hon. members around him are anxious to see this bill go through the house. It is purely a departmental bill and has no political significance whatever. It was considered last year by a committee of the Senate and approved, and has been introduced this year practically in the same form in which it left the Senate. It has been examined and studied by the banking and commerce committee, and it was reported to the house with the common agreement of members representing all parties that we should leave aside any contentious matters concerning the Companies Act. It was agreed that we should put through these enactments which give statutory force to practices already followed by the department, and which have been asked for by the business men of the country. I am sure my hon. friend is desirous, as are some of the hon. members around him, to see these amendments pass the house and reach the Senate in time for consideration this

session. I would prefer that he would not ask me to discuss any specific cases, which are, after all, not a part of the Companies Act but are only examples of how the Companies Act has been put into practice. An opportunity will be given to discuss specific cases, and we could confine ourselves to-night to the consideration of the theory as embodied in the act and amendments proposed.

Mr. BENNETT: I quite agree with the hon. minister as to the necessity of his having his papers before him. I am not disposed to quarrel with the suggestion that an opportunity will be afforded to discuss these specific cases when the estimates are before the house; nevertheless the matter is of very great importance. There are regulations which govern the department, and these have been contravened in such a way as to bring considerable adverse criticism upon the department. I agree further with my hon. friend that it is desirable to facilitate the passing of this legislation; in fact the whole Companies Act should be thoroughly gone over because there is an increasing criticism being offered throughout the country over the creation of vast combinations which are considered to be very inimical to the interests of the communities. Such criticisms are now becoming vocal when times are a little hard; they were not so vocal when times were prosperous. I have asked my legal friends to consider this bill, and they are satisfied with it as reprinted. They consider that it is a step in the right direction and that it will facilitate the conduct of the public business. I have no desire to impede in any way its passage, but I desire to see that it is administered in such a way as not to bring criticism, fair or unfair, unduly upon those charged with that responsibility.

Section agreed to.

Sections 6 to 9 inclusive agreed to.

Section 10—Minister may change name by supplementary letters.

Mr. LADNER: The minister is aware of a case which I presented to his department concerning a company called the National Biscuit and Confection Company of Vancouver—I am speaking now without their knowledge and without their authority. That company was incorporated provincially in 1910, and in 1923 or 1924 they made application to reserve a name of a similar nature for Canada. The provincial company did not proceed to apply for letters patent, but the National Biscuit Company of New York did apply and letters patent were granted to them. I do not raise this point by way of complaint, because I think the officers of the department did what they were bound to do under the regulations. The net result of all this was that the American company which did not operate in Canada in 1910 was able to extend its business in western Canada through purchases and be in a position to compete with an organization having a similar name and which had started in British Columbia in 1910. Is it the policy of the department to grant names to foreign corporations with the knowledge that provincial companies have similar or almost identical names?

Mr. RINFRET: I recall the case to which my hon. friend alludes, and I believe he was representing one of the companies.

Mr. LADNER: I was.

Mr. RINFRET: The hon. member pleaded his case with much ability and showed a great deal of courtesy to the Secretary of State. The discretion left with the Secretary of State in matters of this kind—perhaps the hon. member for Argenteuil (Sir George Perley) did not find it as hard when he happened to be in that position—is at times rather embarrassing. When we look into the act again next year and have to deal with certain matters which have been left over, there might be a possibility of restricting somewhat the discretion left with the head of the department, or of having regulations passed which will be more binding or of a nature to direct more definitely the judgment of the Secretary of State. My experience has been that a desire to render justice to both sides places the minister in a somewhat difficult position and the case mentioned by my hon. friend is a very apt illustration. I may tell my hon. friend that next year, whether I happen to be sitting on this side of the house and still have under my direction the administration of this act, or whether I happen to be on the other side, I shall be quite willing to cooperate with my hon. friend and his friends in order to adjust that part of the Companies Act.

Mr. ERNST: There is a possibility you may be left at home.

Mr. STEVENS: When this case was being discussed in the committee the Under Secretary of State stated that it was a rule of the department not to allow a company to incorporate under Dominion letters patent under a name already taken up under a provincial act. When we were dealing with the Companies Act some years ago, that principle was clearly laid down and followed by the department.

Mr. RINFRET: That is true, but there is a distinction between identical names and similar names. I cannot recall a case that was brought to my attention where names were granted which were identical. When the question is one of similarity, it is a matter of appreciation and if the act could be amended to regulate the judgment of the department I would welcome the change. This, however, is one of the rather contentious and not readily acceptable amendments which after consideration we decided to leave over in order not to delay the passage of the legislation.

Mr. STEVENS: With regard to such a contention I may say we are willing to assist in the passage of the measure.

Mr. RINFRET: I know that.

Mr. STEVENS: That is not the point at all. We discussed this in committee, and it was a matter not of identical names but of names closely similar, names that might be confused. The Under Secretary of State said very frankly to the committee, indeed I think to myself on a question I addressed to him, that it was the practice of the department to refuse incorporation under a name already held by a provincial company. He went on further to say—and a similar answer was given by the superintendent of insurance in regard to his department—that it was the practice to keep in touch with the various provincial governments and maintain a list of the names of various companies incorporated under provincial legislative powers so as not to allow conflict of names. This is an exceedingly important matter. Let me take this instance, of which I have not heard before. I happen to know the company in British Columbia, the National Biscuit and Confection Company, which has been operating for many years. It was incorporated in 1910, if I remember rightly, by the late Robert Kelly.

Mr. LADNER: The name of the British Columbia firm is the National Biscuit and Confection Company, Limited. The name of the New York company operating in this country is the National Biscuit Company of Canada, Limited.

Mr. STEVENS: The British Columbia company built up an excellent business and invested a great deal of capital. It is entitled to its name, to the benefits of that name, to the field that it occupies, and to the prestige it has developed. Along comes this mammoth concern from the United States, entirely a United States concern, desiring to incorporate in Canada. Very well; let them come, but certainly they should not be given a name that would so conflict with a local concern as to invade that concern's good will. That is the point. The good will of a concern is sometimes exceedingly valuable to it, particularly in the case of a company that deals in goods that go out to the public and win their confidence and approval. Many a concern will spend 25, 30, 40 and sometimes 50 per cent of its capital in building up its business, a good will for its name and goods, before it reaches a position where it is able to pay dividends on its investments, and this sometimes continues for years. That is true in the case of such commodities as Woodbury's facial soaps, cosmetics, and all that sort of thing. A company of this kind depends very much upon such things as the name of the article it manufactures, the name of the company, good will for its service to the public. Along comes another concern which finds a ready made field; it steps into that field with the advantage of large capital for advertising, and seriously imperils the business of the company already established. That is something which it is the duty of the Secretary of State and his department to guard against scrupulously. I repeat that the Under Secretary of State assured us that that was the doctrine and practice of the department. The minister did not give us much reassurance to-night in either of his answers to my honoured leader and the hon. member for Vancouver South. The intimation he gave was that he found himself frequently in such a position that it was difficult to determine matters of this kind. There should not have been a moment's hesitancy on his part in deciding in that case. He should have said to the United States concern: We welcome you, but you must get another name. There need have been no brain fag over that. I am sorry indeed to hear the explanation the minister gives because it is not very assuring.

Mr. RINFRET: The case that was brought before me was not the granting of the name to the United States company, but the conflict later arising between companies with similar names.

Mr. LADNER: It was the granting of the name to the agents of the United States company, who were the parties who made the petition here.

Mr. RINFRET: I might repeat what I said a moment ago. While these cases may

not be numerous, there have been a number of them during the four years I have been at the head of the department, and anybody will understand that I was under a disadvantage in having to refer to these matters from memory; I had expected to discuss the amendments in their general significance rather than in their particular application. The hon. member for Vancouver Centre stated the case properly when he said that the policy of the department was such as he indicated. I will give him the assurance that in every one of the decisions I have had to render under the discretion we are now discussing, I have been fully advised by my officers and I do not think in any of the cases I differed from the advice that was tendered to me, because I relied on the experience, tradition and general custom of the department. I must say that at the time the hon. member for Vancouver South discussed with me, not the case itself, because until the decision had been rendered that would not have been proper, but the general principle whether we should not have in our law a disposition or establish in the department a practice whereby we could in cases like that protect Canadian companies against branches of United States concerns, that certainly appealed to my judgment and good sense. But in the specific case referred to the decision rendered by myself was based upon the advice of the officers of the department and did not differ from the general line of policy we follow in the department. I repeat: There might be occasion to amend the act in such a way as to foresee such conflicts, but taking all in all, the decision rendered in that case was, I think, in accordance with the tradition of the department for a long number of years under every minister who has been in charge of it.

Mr. LADNER: I do not wish to prolong the argument, because this is an individual case. The minister certainly has under him most able and competent officers—he could not have better—but they are governed by the statute law, and the statute law in its wording prescribes the course of action in such a way that perhaps the officers, technically speaking and not having regard to public policy, might find themselves obliged, having granted the charter, to allow the name to be retained. The point I was making was whether the minister's discretion should not have been exercised on the ground of public policy. This is an enormous concern covering two or three blocks in New York city. It had not been very active in Canada, doing a little business in eastern Canada and none at all in the west. It desired to invade this field. It bought Christie's in Toronto and then purchased plants in Winnipeg and Calgary. In the meantime it used the name which it had been using in the United States, and it came to Canada and incorporated under that name. During all this time the concern in Vancouver had been growing to considerable proportion. With all due deference to the minister, for whom I have a personal regard, I submit that it was his duty to have helped to protect the business interests of this country as he could have done by simply saying to this American company, "You must use some other name than that of this provincial company." I think he should have done that as a matter of public policy. It is important from the public point of view, and that is why I emphasize it. When matters of this kind arise in the future the minister, on grounds of public policy, apart from the statutory provisions altogether, in the exercise of his discretion, should see to it that protection is first given to Canadian interests and that their good will and opportunities for business advancement be not hindered or prejudiced merely because someone from the United States comes here and makes application for a charter which clearly on the face of it is prejudicial to a Canadian concern. The names of these three companies were very similar. There was the National Biscuit Company of New York, the National Biscuit Company of Canada, and the National Biscuit and Confection Company, Limited. On the grounds of public policy, I repeat, the minister should have safeguarded the Canadian concern by requiring our American friends to use some other name in Canada.

Section agreed to.

Sections 11 to 30 inclusive agreed to.

On section 31—Liability of directors.

Sir GEORGE PERLEY: This section is to repeal the liability of directors, according to the marginal note. Would the minister give some explanation of this clause?

Mr. RINFRET: The repeal of section 114 of the act is a consequence of the repeal of section 28.

Sir GEORGE PERLEY: I understand that, but are the directors relieved of all liability?

Mr. RINFRET: I am afraid the marginal note is a little misleading. The section to be repealed reads as follows:

Every director of any company who expressly or impliedly authorizes the commencement of

operations by the company or the incurring of any liabilities by the company before ten per centum of its authorized capital has been subscribed and paid for, shall be jointly and severally liable with the company for the payment of any such liabilities so incurred.

Sir GEORGE PERLEY: So the directors are relieved only of the liability under section 114; that is, it is no longer required that 10 per cent be paid up before the company begins business?

Mr. RINFRET: That is right.

Section agreed to.

Sections 32 to 42 inclusive agreed to.

Bill reported, read the third time and passed.

SUPPLY

POST OFFICE DEPARTMENT

The house in committee of supply, Mr. Johnston in the chair.

Post office—outside service—salaries and allowances, $18,632,694.40.

Mail service, including mail service by air, $17,267,000.

Miscellaneous, including $5,000 for the payment of compassionate allowances to employees injured while in the performance of their duties, or to the dependents of employees killed while on duty, such payments to be made only on the specific authority of the governor in council, $1,286,675.

Yukon territory, $150,000.

Total, $37,336,369.40.

Mr. MacLAREN: Mr. Chairman, whenever this item dealing with the pay of our letter carriers is brought before the committee I take the opportunity of making some reference to this body of civil servants, and I always do so with much pleasure. I believe they are a very efficient body of public servants. It is my experience, and I am sure it is shared by other members of the committee, that they are industrious, trustworthy and courteous and are giving much satisfaction to the general public. I have before me a statement with reference to the work of the letter carriers from which I wish to quote two or three paragraphs. This is the first:

> Letter carriers' work embraces all divisions of the manipulative postal service and yet letter carriers are rated much lower than those who only work on one division, and who are seldom, if ever, called upon to work without supervision, or to make decisions, or act on their own initiative, all of which are a daily occurrence with the letter carriers, and when such are satisfactory, all is well, but when they turn out to be wrong, then the carrier is at fault, not the system.

And again:

> It was submitted to the experts who classified the service in 1919 that the duties and responsibilities of letter carriers were equal, if not greater, and certainly more exacting than any other branch of the manipulative staff of postal employees.

This is the third paragraph:

> Additional duties have been recently imposed, such as delivery of householder matter, cartons, et cetera, which largely increase his burdens.

Now, Mr. Chairman, there is no question whatever that the letter carriers are not only regular and energetic in the performance of their duties, but that they actually undergo hard work. We must have seen them with their heavy parcels, in all weathers, discharging their duties.

It is well known that the letter carriers are not content with their present rate of pay. They are performing their duties in a very satisfactory manner, and I think it is only due to them that their case should be considered in the most careful way. It seems to me that the Postmaster General should adopt other measures than those already taken to secure additional pay for our letter carriers. I believe we are all not only willing but desirous that an increase of pay should be given to this class of public servants. The Postmaster General states that he has made representations to the Civil Service Commission, which no doubt is the case; but he has failed to secure an increase of pay. I believe there are other methods to which he and the government can have recourse, and I hope they will take some step leading to definite action. I do not think it is the wish of the country that these men should remain discontented when they actually merit a higher rate of pay. Again I urge the Postmaster General to take such measures as will effect an improvement in the remuneration of these very efficient public servants.

Hon. P. J. VENIOT (Postmaster General): Mr. Chairman, when the committee was dealing with this item last week, the hon. leader of the opposition (Mr. Bennett) asked me if I could furnish him with information on three questions that he submitted. The first was:

> 1. How many men have been added to the service who are not subject to the Civil Service Act?

The answer to that is, four. His second question was:

> 2. What is the maximum salary they are receiving?

The answer is: three machinists are paid at prevailing rates, 90 cents an hour, based on an 8-hour day and a 44-hour week. They are paid time and a half for overtime. There

is one temporary labourer paid at the rate of 50 cents an hour for all time worked. His third question was:

Is it not possible for the minister so to adjust the revenues derived from the services rendered by making charges, and securing the sanction of parliament if necessary, to render it possible to pay decent salaries to employees which should be at least $100 per month?

The hon. leader of the opposition himself recognizes that that is a matter of policy. Although I have been studying the situation to a considerable extent for the past year or two, I am not in a position to answer the third question to-night.

There were some other questions asked on May 2. The hon. member for Argenteuil (Sir George Perley) referred to the postal service in connection with Dalesville and stated that it would be quite satisfactory if the patrons of this office were afforded rural mail delivery. I wish to inform him that the department has requested its operating officers to furnish a report on a rural mail delivery route in the Dalesville district, on account of the difficulty we have had in getting somebody to take charge of the office.

The hon. member for Cape Breton South (Mr. MacDonald) drew attention to the closing of the post office at Homeville and asked me if I could establish rural mail delivery there. We are taking the same course there as in respect to Dalesville—we are getting a report from our operating officers to see if we cannot bring the district within a rural mail delivery route so as to provide better service.

The hon. member for Fort William (Mr. Manion) asked me:

What is the lowest salary paid, and how many men are receiving that salary?

I had the officials of the department go very carefully into this and I am now in a position to give the information that I did not have definitely last week. It is as follows:

Class title	Salary rates										
	$1,020	$1,140	$1,200	$1,260	$1,320						
Postal Helpers. .	835	205	1	79	85						
	$1,080	$1,200	$1,320	$1,440	$1,500						
Mail porters. . . .	12	28	61	41	593						
Letter carriers. .	72	129	195	97	2,299						
	84	157	256	138	2,892						
	$1,080	$1,200	$1,260	$1,320	$1,380	$1,440	$1,500	$1,560	$1,620	$1,680	$1,740
Postal clerks. . .	17	76	2	141	9	99	30	98	350	55	2,150

Another question was brought up the other night I believe by the hon. member for South York (Mr. McGregor)—I am not quite certain it was he who asked it, but that is as I recall it. His question was in connection with the contract for collection from letter boxes and for parcel delivery in the city of Toronto. The complaint of the hon. member was that the men engaged by the contractor to do the work were receiving $16 for a fifty hour week. I have gone into this question and I have some information before me bearing upon it. The information I have been able to gather is as follows:

				Average working hours per week
4	men at	$16	per week..	50 hrs. 57 minutes
7	men at	$17	per week..	56 hrs. 56 minutes
11	men at	$18	per week..	63 hrs.
1	man at	$19	per week..	63 hrs.
1	man at	$20	per week..	63 hrs.
11	men at	$20	per week..	55 hrs. 15 minutes
2	men at	$20	per week..	42 hrs. 45 minutes
2	men at	$19	per week..	56 hrs. 8 minutes
1	man at	$20	per week..	56 hrs. 8 minutes

The statement contains the further information that the average wage per man per week is $18.45, while the average length of time worked by each man per week is 57 hours and 4 minutes. The fair wage clause in the contract issued within the last two or three months reads as follows:

The said contractor agrees that for the purpose of this contract ten hours shall constitute a full day's work for a courier, and further agrees that the remuneration paid by him to his couriers shall be approximately the same as that paid by mercantile houses and other concerns to their drivers for similar services, and to provide time books approved by the postmaster in which the couriers are to record the hours worked each day in connection with this contract; and the contractor agrees further to produce these time books for inspection when requested to do so by the postmaster. A fine of five dollars will be imposed upon the contractor for failure in every instance to comply with this clause of the agreement.

This contract has been in operation for four years or more. At the present time we are calling for new tenders for this work, as the contractor felt that under the old contract he was not getting sufficient pay. The contract is now being put up for tender with new conditions in the fair wage and hour clauses. Instead of a ten hour day the new contract calls for an eight hour day and a forty-four hour week. Under the new contract cities having similar delivery contracts to that of the

city of Toronto will adopt the eight hour clause, and the wages prevailing in that district will be paid for that class of work.

Mr. LADNER: Last year a discussion took place between the minister and hon. members on this side of the house with regard to the question of letter carriers' salaries. I think the minister's attitude can be summed up in the statement that he was favourable to an adjustment of salaries of letter carriers in the lower amounts. He made the statement that he had made every effort to convince the Civil Service Commission that the salary increases were necessary, and his final statement was that the Civil Service Commission had turned down his plea for increased salaries, and that as a result he was powerless. Some hon. members on this side of the house thought he was not quite as powerless as his assertions would have indicated, and that the necessary legislation might have been passed.

I wish to place on Hansard a statement contained in a letter received by me which shows the point of view of a letter carrier in regard to the matter of salaries. I have not been authorized to use this statement, although the writer did not state that I should not do so.

Mr. VENIOT: What is the name of the author of the statement?

Mr. LADNER: I do not purpose to give that.

Mr. VENIOT: Mr. Chairman, it is not fair that statements of this kind should be put on record when the hon. gentleman says he will not give the name of the author. We are not in a position to know whether the person writing has knowledge of what he writes.

Mr. STEVENS: The hon. member will give his word.

Mr. VENIOT: No, no.

Mr. BENNETT: He will take the responsibility.

Mr. LADNER: The statement is not of a violent nature, and it is not intended to create trouble or to stir up prejudice.

Mr. VENIOT: I am not afraid of it.

Mr. LADNER: If the statements contained herein are not correct it will be the privilege of the minister to correct them. The opinions stated in the letter are in accord with my own ideas. The letter is, in part, as follows:

Letter carriers' work embraces all divisions of the manipulative postal service and yet letter carriers are rated much lower than those who work on only one division, and who are seldom if ever called upon to work without supervision, or to make decisions—

Mr. VENIOT: That has just been read by the hon. member for St. John-Albert (Mr. MacLaren).

Mr. BENNETT: It shows unity of effort.

Mr. LADNER: If it has been read there is no use wasting the time of the house, but it is in the man's handwriting. I think I shall continue reading:

—or acts on their own initiative, all of which are a daily occurrence with the letter carriers, and when such are satisfactory, all is well, but when they turn out to be wrong, then the carrier is at fault, not the system. Again, as the last handling of mail between the government and all the public, the letter carrier must stand the blame for all mistakes which he fails to detect, no matter if the mistake be foreign or domestic in origin. It was submitted to the experts who classified the service in 1919 that the duties and responsibilities of letter carriers were greater and certainly more exacting than any other branch of the manipulative staff of the postal service. The carrier is the ambassador between the postal department and the public, and he performs in part all duties attached to the following classes in the department:

Has that been read?

Mr. VENIOT: Yes, exactly the same.

Mr. STEVENS: Go on and finish reading it.

Mr. LADNER: It continues:

Registration clerk, record keeper, information clerk, C.O.D. parcel and insurance collector, stamp vendor, inquiry clerk, adviser to the department, and financial collector to the department and business houses. Additional duties have been recently imposed, such as delivery of householders, cartons, et cetera, which largely increase his burdens. The letter carrier is the only man in the postal service who acts as a combination post office and information bureau. Yet he is rated considerably lower than other branches of the postal service who perform but one duty with less responsibility. In 1924 Hon. Charles Murphy, Postmaster General, requested the Civil Service Commission to increase the salary of letter carriers to a maximum of $1,560. The commission granted a maximum of $1,440 and cut off the bonus, which was a reduction in place of an increase. The result that followed was another strike of some duration in several of the larger post offices. In 1928 the Hon. P. J. Veniot, Postmaster General, recommended to the Civil Service Commission an increase of salary for letter carriers. The commission again refused the request but added $60 to the $1,440, making the maximum $1,500.

During the past session in parliament the Postmaster General recommended to the commission a further increase in salary for letter carriers, and this request the commission refused to consider, and the present Postmaster General is reported in Hansard as making the statement on the floor of the House of Commons that had the letter carriers been properly classified in 1919 they would now be drawing a salary that would make them contented.

Why do the commission reject these recommendations? The answer is that powers, under

the amended Civil Service Act of 1919, were conferred on them that no commission in any country in Canada are in possession of. We cannot blame the commission for carrying out the law as laid down. The blame must rest with the government who enacted these powers, as well as the government that continues to perpetuate them. Again, the Civil Service Commission, as we understand their regulations, have the power to increase salaries for added duties. Letter carriers have at least four added duties to perform since their classification was made. Why does the commission not recognize this?

The next paragraph is an important feature:

In 1918 a Canadian letter carrier with a bonus of $350 was in receipt of a salary of $89 a year more than the U.S.A. carrier. To-day a U.S.A. carrier gets $600 a year more than the Canadian carrier, both performing the same duties. While the government and the Civil Service Commission have advertised increases for letter carriers several times, the only increase—

He means change.

—which ever reached us was a reduction of $156 a year.

That is a statement from one who is interested in the matter and who knows the facts. I want to ask the minister whether he is taking any steps to fulfil his promise of last session and the previous session to increase the salaries on the minimum rate and, if so, what steps he has taken.

Mr. HEAPS: Perhaps before the minister answers I might ask a similar question, and I might be allowed to read some correspondence which was tabled this afternoon and which may partly answer the question which has been asked by the hon. member for Vancouver South. For a number of years very determined efforts have been made on both sides of the house to obtain for the lower paid men in the service, not merely those in the Post Office Department, a minimum rate of pay of at least $100 per month. The other day when the minister spoke of this question I believe he stated that there were approximately 8,800 people working in the postal service under his supervision, in the various grades. He stated also that between 20 per cent and 25 per cent of these men were receiving the minimum rate of pay, which is $1,020 a year. That means that at least 2,000 men employed in the postal service are receiving approximately $90 per month. I have the exact figures here if the minister wishes them.

Mr. VENIOT: I gave the exact figures to-night.

Mr. HEAPS: Yes; they totalled 8,851, as I took them down, and the Postmaster General said from 20 per cent to 25 per cent of the men received the minimum rate of pay. As I understand it, a man must work three years in the postal service before he gets the first increase. He enters the service the first year on the temporary staff, and while he is on the temporary staff he does not get any increase over the minimum rate. I am told that as a rule he stays on the temporary staff for two years before he is placed on the permanent staff, and then he has to be on the permanent staff one year before getting his increase. Consequently that man has to work three years for $1,020 per year before he is entitled to any increase in pay, and that is why I believe there is such a large percentage of these men in the postal service working for this low wage.

For three sessions at least we have made determined efforts to get the department to do something, particularly for the lower paid men, but so far we have been unsuccessful. I have asked in previous years what the minister expects these men to do and what remedy they have for bettering their condition. That question has not been answered as yet, and it cannot be answered. These men have only two courses open to them. They can come to parliament and ask to have their grievances redressed, but what happens when they do that? When they come to parliament they come to the proper and logical place, but then they are told that parliament is helpless because of the Civil Service Commission, and during the past few years the result has been that these men have not been given the increases which they requested, because the Civil Service Commission claimed they were not entitled to such increases. There is only one other course of action open to them. If the government does not see fit or does not desire to give these men an increase in pay the only alternative open to them is to go on strike, and if they go on strike what happens? The government declaims against them, calling them almost every name they can think of, for having the temerity to go on strike against conditions which we all agree are almost intolerable.

However, I wish to say, having looked over the correspondence the Postmaster General laid on the table to-day, that he must be given credit for persistence in trying to redress the grievances of some of these low paid civil servants. Let me read some of the correspondence, which I have glanced over hurriedly since it was laid on the table this afternoon. First there is a latter dated May 2, 1928, from the secretary of the Civil Service Commission to Mr. L. J. Gaboury, of which the first paragraph is as follows:

I am directed to advise you that at a meeting of the commissioners this morning your recommendation for increased compensation for the classes letter carrier, mail porter, postal

clerk and railway mail clerk was given very careful consideration by the commissioners and that their decision is that there should be no increase granted in the basic rates for these classes.

That is signed by W. Foran, the secretary. Then there is another letter addressed to Hon. P. J. Veniot, Postmaster General, under date of March 9, 1929, just about fourteen months ago, and also signed by W. Foran as secretary of the Civil Service Commission. It is as follows:

Sir:

Your recent communication confirming your previous recommendation for higher compensation for the classes postal clerk, letter carrier and mail porter has been placed before the Board of Civil Service Commissioners.

After full consideration of the subject matter in your letter the commissioners have decided to confirm their decision of May 2, 1928, which was communicated to the Deputy Postmaster General by a letter of the same date, that further increase in the compensation of these classes is not justified.

I am rather surprised that any commission such as the Civil Service Commission, in some respects under the control of parliament, would attempt to justify a wage of less than $90 per month to be paid to employees of the government.

The next is a communication dated March 31, 1930, addressed to the Hon. W. J. Roche, chairman, Civil Service Commission, Ottawa. It reads as follows:

The government has again considered the question of increasing salaries of letter carriers, postal helpers, et caetera. I would be pleased if you would let me know if your board are willing to reconsider the decision reached in this matter, so that I can make arrangements for placing an item in the supplementary estimates.

Yours truly,
P. J. Veniot.

The next communication is dated April 4, 1930, from the secretary of the Civil Service Commission and addressed to the Postmaster General. I will read only the last sentence because I believe that is all this parliament or this house would be interested in. This sentence has a very direct bearing on the matter now under discussion, and reads as follows:

I am further directed to advise you that if, notwithstanding the representations made by the commission in its letter to the Secretary of State of May 23, 1928, it is the desire of the government to provide higher compensation for postal and other related classes, the commissioners would be pleased to receive directions on this matter as were given in 1925 under the provisions of P.C. 1644, a copy of which is also attached hereto.

According to this sentence which I have read, it would appear that we have been given by the Civil Service Commission the right, so to speak, to put an item in the supplementary estimates, which item the Civil Service Commission would, no doubt, apportion among the employees of the postal service. After a hurried perusal of the copy of P.C. 1644, I think I am justified in coming to the conclusion that if there is no desire on the part of the Civil Service Commission or the Postmaster General to grant increases to the lower paid men in the postal service, it is not necessary to put an item in the supplementary estimates. Only one conclusion can be arrived at, and that is that the putting of an item in the supplementary estimates would be for the purpose of granting increases, as has been suggested by several hon. members of this house. In view of the fact that the Postmaster General has in his previous declarations and in correspondence tabled to-day shown that he was in favour of granting increases to the postal service, and in view of the fact that the Civil Service Commission has changed its attitude on this question, I cannot reconcile his having changed his attitude. Perhaps I have not read closely and diligently enough the communications addressed to the Postmaster General by the Civil Service Commission. If there is no intention to grant increases to these employees, I cannot understand why it is necessary to put an item in the supplementary estimates. Would the Postmaster General kindly inform this committee for what purpose that item was intended, whether it is to grant an increase to the postal workers or whether it is for some other purpose?

Mr. VENIOT: Under the provisions of the Civil Service Act no increase can be granted by the governor in council or can be considered by the treasury board before whom the estimates come before going to the council. The Civil Service Commission fixes the classification and the rates for each class. In 1927, or perhaps it was 1928, in order to comply with the conditions set forth in the Civil Service Act, as Postmaster General I recommended to the Civil Service Commission an increase in salaries for the classes mentioned in the correspondence which has been read this evening. Previous to that, I had brought the matter before the government, informing the government what that recommendation would mean in dollars and cents. Having received the sanction of the government, I then submitted the matter to the Civil Service Commission. As the whole truth has not been told about this matter, I will have to reveal how this matter came into the estimates at one time. Believing that I had obtained the sanction of the Civil Service Commission, I had an item of $276,000 placed temporarily in

the estimates, with a recommendation to the treasury board. As appears from the correspondence read by the hon. member, the Civil Service Commission refused to give their permission to the increases, stating that they did not consider they were necessary. I then had to withdraw that amount before the treasury board, and it was not dealt with any further by that board. Later on I again saw the Civil Service Commission to see if they had changed their former decision, and their reply—as appears from the correspondence—was that they had not. They went on to say that if we proceeded in the manner adopted in 1925, they would consider an increase in the salaries. We were not given the authority to place any amount in the supplementary estimates. If the matter should be considered by the government and the intention of the government were made known to the Civil Service Commission, they might or might not act. The desire of the government for the increases has been expressed to them by the Postmaster General, and they have so far refused to grant those increases.

Mr. STEWART (Leeds): May I ask the hon. gentleman a question?

Mr. VENIOT: I do not intend to be thrown off my argument. There are too many attempts being made to throw ministers off their arguments.

Mr. STEVENS: That is nonsense.

Mr. STEWART (Leeds): I only want to ask a question.

Mr. VENIOT: I am endeavouring to give all the information possible and I think I should be allowed to do so in my own way; I intend to do so in my own way.

Mr. STEWART (Leeds): That is the hon. minister's old way, and he did not get very far with it.

Mr. VENIOT: If that is a threat on the part of the hon. member I am quite prepared to accept it.

Mr. STEWART (Leeds): The hon. minister will get it.

Mr. VENIOT: That did not give the government the authority to place in the estimates the amount which had already been recommended, and that is why that amount does not appear to-day. If the hon. member wishes to ask a question, I am prepared to answer it to the best of my ability.

Mr. STEWART (Leeds): Were the increases recommended by the Postmaster General granted in part?

Mr. VENIOT: Yes.

Mr. STEWART (Leeds): That is all I wanted to ask.

[Mr. Veniot.]

Mr. VENIOT: I will explain why; I do not think it should be allowed to be dropped right there.

Mr. STEWART (Leeds): You did not tell us that.

Mr. VENIOT: The question did not come up. The increases recommended were for postal helpers, porters, postal clerks, letter carriers and railway mail clerks. The increases granted as recommended were granted by the Civil Service Commission only to the railway mail clerks.

Mr. HEAPS: There is in the correspondence a very significant letter which does not altogether tally with the statements made now by the Postmaster General.

Mr. STEWART (Leeds): That is nothing new.

Mr. HEAPS: I will read it again because it is short. It is dated March 31, 1930, and addressed to the chairman of the Civil Service Commission by the Postmaster General. It reads:

> The government has again considered the question of increasing salaries of letter carriers, postal helpers, etc.

That is only about five weeks ago. Then we have another statement regarding putting an item in the supplementary estimate. You cannot divorce one thing from the other because in the same letter I have just read is the question of placing in the supplementary estimates an item for what purpose? Because the government have considered the question of increasing the salaries of the letter carriers. If an item went into the supplementary estimates it was only for the purpose of increasing the salaries of members of the postal staff and the next formality, if I might put the matter that way, was for the Civil Service Commission to apportion the money.

Mr. VENIOT: No.

Mr. HEAPS: Will the Postmaster General tell me if the government considered granting increases to the members of the postal service, how was this increase, after the money was provided for in the supplementary estimates, to be granted?

Mr. VENIOT: I have already detailed the procedure. The department in considering the various classes named, either three or four, calculate what the increases to be recommended to the commission will amount to. They place before the commission their recommendation for an increase of salary amounting to so and so, as the case may be in each class. If the commission consider that a sufficient increase, they can accept it if they will at that figure or they can increase it themselves. Once the Civil Service Commis-

sion accepts either the amount recommended by the Postmaster General or the amount they may fix themselves, that amount is then brought before the treasury board. The treasury board considers the question and submits its decision to council. Then on the decision of council the amount is placed in the main or supplementary estimates.

Mr. HEAPS: Let me see whether I understand the Postmaster General correctly. Sometimes I am a little dense in regard to these questions. Evidently during the past two months the government have been quite prepared to give an increase in salary to the men employed under the jurisdiction of the Postmaster General. I think I am being fair in making that statement. I am glad the Postmaster General and I are apparently in agreement so far. The next thing to do was this: The government were willing to place that amount in the supplementary estimates in order that provision might be made for the men to have the increase this year. I hope I am correct in making that statement.

Mr. VENIOT: If the hon. member just adds to that the words: "provided the Civil Service Commission sanction it."

Mr. HEAPS: In order that the increase may become effective this year, it has to have the sanction of the Civil Service Commission?

Mr. VENIOT: That is right.

Mr. HEAPS: Evidently according to other correspondence on the file, the Civil Service Commission had already receded from their position of 1929 because they say so in that correspondence. If they claim in that correspondence they had already reconsidered their decision of 1929, this means that they were prepared to grant the increases the government were ready to give to the postal workers. There is no other conclusion that I can come to and I do not think there is any other conclusion anybody else can come to, otherwise the Civil Service Commission would have stated in the correspondence under date of April 4: We affirm our decision of 1928 and 1929. They do not say that. They say that they have reconsidered their decision and they are prepared now to grant, so to speak, the request of the government and parliament in respect to giving an increase to these men. I would sugest this to test out the sincerity of the house and also of the Postmaster General himself. I think he wants and we all want to be fair to the men in the employ of the government. Let him bring down in the supplementary estimates an item covering increases to the postal workers. If he does that, I am satisfied there will be no difficulty about its passing the house, because all parties have been committed to this increase, and I am sure, once it has passed the house, the Civil Service Commission will not hesitate for two minutes to grant the increase to the men in the postal service.

Mr. VENIOT: If it were possible for me to place upon the last communication from the Civil Service Commission the interpretation which the hon. member now places upon it, I would not hesitate for one moment. But that is not the interpretation.

Mr. HEAPS: What is it?

Mr. STEWART (Leeds): May I be permitted to read to the committee this clause of the letter of April 4, from the secretary of the Civil Service Commission to the Hon. P. J. Veniot, Postmaster General:

> I am further directed to advise you that if, notwithstanding the representations made by the commission in its letter to the Secretary of State of May 23, 1928, it is the desire of the government to provide higher compensation for postal and other related classes, the commissioners will be pleased to receive directions on this matter as were given in 1925 under the provisions of P.C. 1644, a copy of which is also attached hereto.

I have P.C. 1644 passed on the 14th September, 1925, the order referred to. It reads:

> The committee of the privy council have had before them a report, dated 11th September, 1925, from the Hon. Charles Murphy, Postmaster General, submitting, on behalf of the subcommittee of council which met the representatives of the postal employees on June 4, 1925, and heard their objections to the salary schedules as finally revised by the Civil Service Commission, a verbatim report of the proceedings at the interview mentioned.
>
> The minister recommends that the said report be forwarded to the Civil Service Commission, with the view of having that body make an upward revision of the salaries in question, in the light of the representations made by the representatives of the postal employees at the said interview, and in accordance wth the attached summary, which reflects the opinion and confirms the judgment of the Post Office Department as embodied in the salary schedules submitted to the Civil Service Commission in 1924.

The Civil Service Commission have intimated to the Postmaster General that if he desires an upward revision of those salaries, all he has to do is to submit to them a memorandum, an order in council, similar to that submitted in 1925. The Postmaster General has had that letter before him since April 4, or more than a month. I am going to ask him whether he has taken any steps in the direction of meeting the request of the Civil Service Commission in regard to an upward revision or a reconsideration of salaries as was done by this P.C. 1644. All that is standing in the way of an increase in salary to these employees is a request from

the Postmaster General similar to that which was given in 1925. That request has not been made. I wonder if I am not justified, therefore, in saying as I said the other night that the Postmaster General is dodging this question.

Mr. VENIOT: I do not wish to prolong the discussion, because this subject has been pretty well threshed out. I wish to say, however, that since the receipt of that communication from the Civil Service Commission the matter has been looked into to see whether the circumstances surrounding the case on which that order was granted in 1924 are similar to the circumstances to-day. If I mistake not, the conditions arising in 1924 were such that it needed pretty strong action on the part of somebody in 1925 to bring about a settlement of the postal strike, and it was only in 1925 that settled conditions were brought about. That order in council made the increase in salaries retroactive to include 1924. No such conditions exist to-day. The Civil Service Commission have full power, and they only have the power under the act, to grant the increase which has been recommended. The Civil Service Commission have no right to state to the government: While we have the power to grant an increase, as we consider that the granting of this increase is not justified, we will pass on to you the responsibility of telling us that we must do this. I do not think that the Civil Service Commission have the right to assume that position. I have been accused of having trampled the Civil Service Act underfoot, but now I am being asked to recommend that that act be trampled underfoot—

Mr. STEWART (Leeds): Not at all.

Mr. VENIOT: —and that the power given to the Civil Service Commission under the law shall be exercised by the governor in council. That is what I have been asked to do.

Mr. STEWART (Leeds): The minister is not asked to do anything of the kind. All that he is being asked to do is to pass an order in council similar to P.C. 1644, and all that that order in council did was to ask the Civil Service Commission to consider the representations of these men and to make such representations as they saw fit.

Mr. VENIOT: The Civil Service Commission have before them now, and have had for two long years, the statement made by the Postmaster General that he and the government were anxious to give the increase, and we asked them to act in the matter and use their authority under the act and accept the recommendation made by the government through the Postmaster General. They have said to the Postmaster General and to the government: We do not see the necessity.

Mr. STEWART (Leeds): They do not say that.

Mr. VENIOT: No, they make it stronger.

Mr. STEWART (Leeds): No.

Mr. VENIOT: Read the letter. The hon. gentleman has the advantage over me because he has the file before him.

Mr. STEWART (Leeds): They say that they are willing to consider it.

Mr. VENIOT: The hon. gentleman ought to be fair and read all the letters. He should read the letter previous to the one he read, dated 1929. The hon. member for North Winnipeg read that letter, but my hon. friend did not. He is referring to only one letter, that of April 4, 1930.

Mr. STEVENS: Mr. Chairman, if we required any proof that the minister was not sincere in his efforts in this matter we have had it in the last ten minutes. He says that in 1924 certain employees of the government, driven to extremes, were out on strike, and in order to get that situation cleared up an order in council was passed instructing the Civil Service Commission to do thus and so. He says that because such conditions do not obtain to-day, therefore the government are not justified in following the course adopted in 1925, when that order in council was passed. My hon. friend from North Winnipeg a few moments ago drew attention to that very fact. He said that through the action of the government and the Civil Service Commission between them these men were, to use his own words, being driven to desperation because of the conditions under which they were suffering. The minister now in effect says: We will hold our position until the men take the position indicated by the hon. member for North Winnipeg.

The minister in a letter to me only a short time ago says, "I have already on two different occasions recommended to the Civil Service Commission an increase in salary." He says further that he has no intention this session of doing anything further in the matter. The point is this. In the last two or three sentences that the minister has just uttered, and if he will read them carefully in Hansard to-morrow he will see that my interpretation is right, he said: It is the business of the Civil Service Commission to deal with this question, and I am not going to allow the commission to shuffle its responsibility off on to me. That was the gist of what he said.

The facts are these: the minister himself has definitely admitted that these men in their request for an increase are in a sound and correct position, that the request is reasonable, because, he says, "I have recommended it twice." If he has recommended it twice, he has twice confirmed the justice of their cause. Surely, if the cause of these men is just, it is the business of the government, in spite of any commission, to see that justice is done to them. But, the minister says, we have no way of doing it. Well, Mr. Chairman, I hold in my hands the estimates of this year. I can take the estimates of any other year and cite half a dozen cases where the ministers of the crown have disregarded the Civil Service Act. Mark you, there is not a dollar for the underpaid $90 a month postal carrier. The government does not dare to pass any statute that might contravene the Civil Service Act. Oh no, that would never do. The minister said: Why, to ask me to do that, to ask me to trample on the Civil Service Act is outrageous. Very good. I find in the estimates for this year this item:

Washington—representation, including salaries and allowances for Minister Plenipotentiary, secretaries and staff, notwithstanding anything to the contrary in the Civil Service Act, $100,000.

Here is another item:

Paris—representation, including salaries and allowances for Minister Plenipotentiary, secretaries and staff, notwithstanding anything to the contrary in the Civil Service Act, $80,000.

Just below that there is another item, worded in the same way, of $80,000 for our representative in Tokyo and his staff. The men in these offices are provided for, regardless altogether of the Civil Service Act. I turn to the National Revenue department. On page 67 of the estimates I find this item:

Salaries and contingent expenses of the several ports in the Dominion, including pay for overtime of officers, nothwithstanding anything in the Civil Service Act, $8,064,000.

On the same page is another item to be paid to the Department of Justice for secret preventive service. The item goes on to say that the amount is required to create positions, and so forth, "notwithstanding anything contained in the Civil Service Act." In short, if the words "notwithstanding anything in the Civil Service Act" were not contained in these items, the action of the government in connection with the appointments in question could not be taken. In every case this action is taken, as the minister says, to trample upon the Civil Service Act. Now we are not asking the minister to trample upon the Civil Service Act. We are asking him to do justice to the demand of these men who have a grievance, a demand which the minister himself both in the house and in correspondence has admitted to be just. He says he himself has recommended it. I am going to read this again. This is Mr. Foran's letter of April 4th to the Postmaster General:

I am further directed to advise you that if, notwithstanding the representations made by the commission in its letter to the Secretary of State of May 23, 1928, it is the desire of the government to provide higher compensation for postal and other related classes, the commissioners would be pleased to receive directions on this matter as were given in 1925 under the provisions of P.C. 1644, a copy of which is also attached hereto.

There is not any doubt that P. C. 1644, was a legal document. I think it might be just as well to read it into the record so that the analogy may be properly drawn by those who care to read it:

P.C. 1644.

Certified copy of a minute of a meeting of the committee of the privy council, approved by His Excellency the Governor General on the 1th of September, 1925.

The committee of the privy council have had before them a report, dated 11th September, 1925, from the Hon. Charles Murphy, Postmaster General, submitting, on behalf of the subcommittee of council which met the representatives of the postal employees on June 4, 1925, and heard their objections to the salary schedules as finally revised by the Civil Service Commission, a verbatim report of the proceedings at the interview mentioned.

The minister recommends that the said report be forwarded to the Civil Service Commission, with the view of having that body make an upward revision of the salaries in question, in the light of the representations made by the representatives of the postal employees at the said interview, and in accordance with the attached summary, which reflects the opinion and confirms the judgment of the Post Office Department as embodied in the salary schedules submitted to the Civil Service Commission in 1924.

The minister represents, that having regard to the fact that the salary schedules for the entire civil service are coordinated, it will naturally follow that the representations made on behalf of the clerical service by the civil service association of Ottawa which have been received since the date of the interview above mentioned, will be considered by the Civil Service Commission in conjunction with such action as the commission may take in regard to the salaries of the postal employees.

The minister further recommends that these additional representations be also forwarded to the Civil Service Commission so that a comprehensive decision that will apply to the entire civil service may be reached at the earliest possible date.

The committee concur in the foregoing and submit the same for Your Excellency's approval.

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

Now, all that is required is that the minister should take to council a recommendation that in his opinion,—and he already has stated

time and time again that it is his opinion a minimum salary of $100 a month should be paid to this rank of the civil service, and he should ask his colleagues to pass that and send it to the Civil Service Commission to-morrow, and the Civil Service Commission to-morrow would conform to that request. If the minister is sincere, and if the government are interested in this matter, they can correct it in one meeting of the privy council; there is not the slightest question about it. The minister for three successive sessions has been telling parliament that he has done his best, that he is helpless, that he has passed this on to the Civil Service Commisison and the Civil Service Commission have turned it down. The long and short of it is this, that the Civil Service Commission have adopted a certain general principle in the fixation of salaries and the conditions of work of the civil service. It does not follow that they are infallible and that what they do is the last word. It means that they take in their own judgment, a certain line of action in their interpretation of the act. But the act gives the government power on the recommendation of the minister to send to the commission certain instructions. Let him send those instructions to the Civil Service Commission with a distinct recommendation that a minimum salary of $100 a month should be paid to these underpaid civil servants.

Mr. STEWART (Leeds): Now, Mr. Chairman, I think it is perfectly clear that for a month the Postmaster General has had before him the request from the Civil Service Commission for action, and there has been none on his part. But some action has been taken by the Postmaster General on the eve of the general election, as I gather from what I read in the Toronto paper to-day. I refer to the following:

Postmen Pleased with New Change for Civil Service.—Drafting Committee Is Established by Order in Council.—London Man Is Named.

The announcement made yesterday that a federal order in council had been passed authorizing the setting up of a drafting committee in connection with the national civil service councils is well received here.

A. McMordie, Dominion general secretary of the federated association of letter carriers, told The Globe that this was the fulfilment of a promise made some two years ago.

Similar steps, he said, were taken in England, and the conditions of work and salaries paid were all taken into review.

No intimation had been given of the personnel of the committee or the date when it would be set up.

Mr. McMordie stated that D. W. Rehder of London, Ont., would be the likely representative of the letter carriers to represent that section of the council.

So that apparently on the eve of the general election the Postmaster General has been passing an order in council that is not calculated to give the letter carriers any increase.

Mr. VENIOT: I think the hon. gentleman should get exact information before he passes criticism.

Mr. STEWART (Leeds): I say "apparently." I shall be very glad if the Postmaster General will tell us all about it.

Mr. VENIOT: The hon. gentleman is so prone to criticize before he knows the facts that to give the facts after criticism has been offered seems to be no good to him. I may say for his information that what he has read is not due to any action by the Postmaster General. That comes from the Department of Labour which has been considering this civil service council for the last year or so, and is now naming a drafting committee composed of representatives of all branches of the civil service to draft regulations. As a matter of fact, I am not sure whether the council has been named or not, but I think it has been. So it has nothing to do with the Postmaster General.

The CHAIRMAN: Shall the item carry?

Mr. STEWART (Leeds): No, we have not half finished with it yet.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

END OF VOLUME II.